



## RFP No: 3830

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INVITATION: Sealed proposals, subject to the attached conditions, will be received at this office until **December 9, 2015 @ 3:00 p.m.** Central Time for the acquisition of the products/services described below for **Mississippi Department of Revenue.**

Acquisition of a Tag and Title Network Replacement System for the Mississippi Department of Revenue (MDOR)

NOTE: THIS RFP CONTAINS MANDATORY REQUIREMENTS TO WHICH NO EXCEPTION MAY BE TAKEN. SEE SECTION VII, ITEM 2, FOR DETAILS.

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**The Vendor must submit proposals and direct inquiries to:**

Donna Hamilton  
Technology Consultant  
Information Technology Services  
3771 Eastwood Drive  
Jackson, MS 39211  
(601) 432-8114  
Donna.Hamilton@its.ms.gov

To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. The following must be clearly typed on a label affixed to the package in a clearly visible location:

PROPOSAL, SUBMITTED IN RESPONSE TO  
RFP NO. 3830  
due December 9, 2015 @ 3:00 p.m.,  
ATTENTION: Donna Hamilton

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**Craig P. Orgeron, Ph.D.**  
**Executive Director, ITS**

### ITS RFP Response Checklist

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RFP Response Checklist: These items should be included in your response to RFP No. **3830**.

- \_\_\_\_\_ 1) One clearly marked original response and 9 identical copy/copies of the complete proposal with each response containing an accompanying electronic copy of the complete proposal. Label the front and spine of the three-ring loose-leaf binder with the Vendor name and RFP number. Include the items listed below inside the binder. Please DO NOT include a copy of the RFP in the binder.
- \_\_\_\_\_ 2) *Submission Cover Sheet*, signed and dated. (Section I)
- \_\_\_\_\_ 3) *Proposal Bond*, if applicable (Section I)
- \_\_\_\_\_ 4) *Proposal Exception Summary*, if applicable (Section V)
- \_\_\_\_\_ 5) Vendor response to *RFP Questionnaire* (Section VI)
- \_\_\_\_\_ 6) Point-by-point response to *Technical Specifications* (Section VII)
- \_\_\_\_\_ 7) Vendor response to *Cost Information Submission* (Section VIII)
- \_\_\_\_\_ 8) *References* (Section IX)

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## SUBMISSION COVER SHEET & CONFIGURATION SUMMARY

Provide the following information regarding the person responsible for the completion of your proposal. This person should also be the person the Mississippi Department of Information Technology Services, (ITS), should contact for questions and/or clarifications.

Name \_\_\_\_\_ Phone # \_\_\_\_\_  
 Address \_\_\_\_\_ Fax # \_\_\_\_\_  
 E-mail \_\_\_\_\_

Subject to acceptance by **ITS**, the Vendor acknowledges that by submitting a proposal AND signing in the space indicated below, the Vendor is contractually obligated to comply with all items in this Request for Proposal (RFP), including the Standard Contract in Exhibit A if included herein, except those listed as exceptions on the Proposal Exception Summary Form. If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions. This acknowledgement also contractually obligates any and all subcontractors that may be proposed. Vendors who sign below may not later take exception to any point during contract negotiations. The Vendor further certifies that the company represented here is an authorized dealer in good standing of the products/services included in this proposal.

**Original signature** of Officer in Bind of Company/Date

Name (typed or printed)

Title

Company name

Physical address

State of Incorporation

## CONFIGURATION SUMMARY

The Vendor must provide a summary of the main components of products/services offered in this proposal using 100 words or less.

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## **PROPOSAL BONDS**

Please attach the required Proposal Bond here.

## **SECTION II**

### **PROPOSAL SUBMISSION REQUIREMENTS**

The objective of the Proposal Submission Requirements section is to provide Vendors with the information required to submit a response to this Request for Proposal (RFP). A Vendor who has responded to previous RFPs issued by **ITS** should not assume that the requirements are the same, as changes may have been made.

1. Failure to follow any instruction within this RFP may, at the State's sole discretion, result in the disqualification of the Vendor's proposal.
2. The State has no obligation to locate or acknowledge any information in the Vendor's proposal that is not presented under the appropriate outline according to these instructions and in the proper location.
3. The Vendor's proposal must be received, in writing, by the office of **ITS** by the date and time specified. **ITS** is not responsible for any delays in delivery or expenses for the development or delivery of proposals. Any proposal received after proposal opening time will be returned unopened. Any proposal received with insufficient postage will be returned unopened.
4. Proposals or alterations by fax, e-mail, or phone will not be accepted.
5. Original signatures are required on one copy of the Submission Cover Sheet and Configuration Summary, and the Vendor's original submission must be clearly identified as the original. The Vendor's original proposal must include the Proposal Bond, (if explicitly required in Section IV).
6. **ITS** reserves the right to reject any proposals, including those with exceptions, prior to and at any time during negotiations.
7. **ITS** reserves the right to waive any defect or irregularity in any proposal procedure.
8. The Vendor may intersperse their response following each RFP specification but must not otherwise alter or rekey any of the original text of this RFP. If the State determines that the Vendor has altered any language in the original RFP, the State may, in its sole discretion, disqualify the Vendor from further consideration. The RFP issued by **ITS** is the official version and will supersede any conflicting RFP language submitted by the Vendor.
9. The Vendor must conform to the following standards in the preparation of the Vendor's proposal:
  - 9.1 The Vendor is required to submit one clearly marked original response and 9 identical copy/copies of the complete proposal, including all sections and exhibits, in three-ring binders.
  - 9.2 To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. A label containing the information on the

RFP cover page must be clearly typed and affixed to the package in a clearly visible location.

- 9.3 Number each page of the proposal.
  - 9.4 Respond to the sections and exhibits in the same order as this RFP.
  - 9.5 Label and tab the responses to each section and exhibit, using the corresponding headings from the RFP.
  - 9.6 If the Vendor does not agree with any item in any section, then the Vendor must list the item on the *Proposal Exception Summary Form*. (See Section V for additional instructions regarding Vendor exceptions.)
  - 9.7 Occasionally, an outline point in an attachment requests information which is not applicable to the products/services proposed. If the Vendor is certain the point does not apply to the given RFP, the Vendor should respond with "NOT APPLICABLE."
  - 9.8 Where an outline point asks a question or requests information, the Vendor must respond with the specific answer or information requested.
  - 9.9 When an outline point/attachment is a statement provided for the Vendor's information only, the Vendor need only read that point. The Vendor acknowledges having read and accepting, or taking exception to, all sections by signing the *Submission Cover Sheet* and providing a *Proposal Exception Summary Form*.
  - 9.10 Where a minimum requirement has been identified, respond by stating the item (e.g., device name/model number, guaranteed response time) proposed and how it will meet the specifications.
  - 9.11 The Vendor must fully respond to each requirement within the *Technical Specifications* by fully describing the manner and degree by which the proposal meets or exceeds said requirements.
10. It is the responsibility of the Vendor to clearly identify all costs associated with any item or series of items in this RFP. The Vendor must include and complete all parts of the cost proposal in a clear and accurate manner. **Omissions, errors, misrepresentations, or inadequate details in the Vendor's cost proposal may be grounds for rejection of the Vendor's proposal. Costs that are not clearly identified will be borne by the Vendor.** The Vendor must complete the *Cost Information Submission* in this RFP, which outlines the minimum requirements for providing cost information. The Vendor should supply supporting details as described in the *Cost Information Submission*.
11. **ITS** reserves the right to request additional information or clarification of a Vendor's proposal. The Vendor's cooperation during the evaluation process in providing **ITS** staff with adequate responses to requests for clarification will be considered a factor in the evaluation of the Vendor's overall responsiveness. Lack of such cooperation or failure to

provide the information in the manner required may, at the State's discretion, result in the disqualification of the Vendor's proposal.

12. Unsolicited clarifications and updates submitted after the deadline for proposals will be accepted or rejected at the sole discretion of **ITS**.
13. Unsolicited clarifications in the evaluation and selection of lowest and best proposal will be considered only if all the following conditions are met:
  - 13.1 A clarification to a proposal that includes a newly announced product line or service with equal or additional capability to be provided at or less than the proposed price will be considered.
  - 13.2 Information provided must be in effect nationally and have been formally and publicly announced through a news medium that the Vendor normally uses to convey customer information.
  - 13.3 Clarifications must be received early enough in the evaluation process to allow adequate time for re-evaluation.
  - 13.4 The Vendor must follow procedures outlined herein for submitting updates and clarifications.
  - 13.5 The Vendor must submit a statement outlining the circumstances for the clarification.
  - 13.6 The Vendor must submit one clearly marked original and 9 copies of the clarification.
  - 13.7 The Vendor must be specific about which part of the original proposal is being changed by the clarification (i.e., must include exact RFP reference to section and outline point).
14. **Communications with State**

From the issue date of this RFP until a Vendor is selected and the selection is announced, responding Vendors or their representatives may not communicate, either orally or in writing regarding this RFP with any statewide elected official, state officer or employee, member of the legislature or legislative employee except as noted herein. To ensure equal treatment for each responding Vendor, all questions regarding this RFP must be submitted in writing to the State's contact person for the selection process, and not later than the last date for accepting responding Vendor questions provided in this RFP. All such questions will be answered officially by the State in writing. All such questions and answers will become addenda to this RFP, and they will be posted to the ITS web site. Vendors failing to comply with this requirement will be subject to disqualification.

  - 14.1 The State's contact person for the selection process is: Donna Hamilton, Technology Consultant, 3771 Eastwood Drive, Jackson, MS 39211, 601-432-8114, Donna.Hamilton@its.ms.gov.



- 14.2 Vendor may consult with State representatives as designated by the State's contact person identified in 14.1 above in response to State-initiated inquiries. Vendor may consult with State representatives during scheduled oral presentations and demonstrations excluding site visits.

### **SECTION III VENDOR INFORMATION**

The objective of the Vendor Information section of this RFP is to provide Vendors with information required to respond to the RFP successfully.

1. **Interchangeable Designations**

The terms "Vendor" and "Contractor" are referenced throughout this RFP. Generally, references to the "Vendor" are used in conjunction with the proposing organization and procurement process leading up to the final RFP selection and award. The term "Contractor" denotes the role assumed, post-award, by the winning Vendor. Additionally, the terms "State of Mississippi," "State" or "ITS" may be used interchangeably throughout this RFP to denote the political entity issuing the RFP and requesting responses from Vendors throughout these specifications. References to a specific agency, institution or other political entity represent the client or customer on whose behalf ITS is issuing the RFP.

2. **Vendor's Responsibility to Examine RFP**

Vendors must examine all documents, forms, specifications, standard provisions, and instructions.

3. **Proposal as Property of State**

All written proposal material becomes the property of the State of Mississippi.

4. **Written Amendment to RFP**

Any interpretation of an **ITS** RFP will be made by written amendment only. The State will not be responsible for any other explanation of this RFP. A copy of any amendment will be posted on the **ITS** website, together with the associated RFP specification. Vendors are required to check the **ITS** website periodically for RFP amendments before the proposal opening date at:

[http://www.its.ms.gov/Procurement/Pages/RFPS\\_Awaiting.aspx](http://www.its.ms.gov/Procurement/Pages/RFPS_Awaiting.aspx)

Any and all amendments will be posted no later than noon, seven days prior to the proposal opening date listed on the cover page of this RFP. If you are unable to access the **ITS** website, you may contact the **ITS** technology consultant listed on page one of this RFP and request a copy.

5. **Oral Communications Not Binding**

Only transactions which are in writing from **ITS** may be considered official. No negotiations, decisions, or actions shall be executed by any Vendor as a result of any discussions with any State employee.

6. **Vendor's Responsibility for Delivery**

Vendors must ensure, through reasonable and sufficient follow-up, proper compliance with, and fulfillment of all schedules and deliverables specified within the body of this RFP. The State will not be responsible for the failure of any delivery medium for submission of information to or from the Vendor, including but not limited to, public and private carriers, U.S. mail, Internet Service Providers, facsimile, or e-mail.

7. **Evaluation Criteria**

The State's intent in issuing this RFP is to award a contract to the lowest and best responsive Vendor who meets specifications, considering price and other factors. The Vendor's past performance, cooperation, and ability to provide service and training are general factors that will be weighed in the selection process. More specific information concerning evaluation criteria is presented in *Technical Specifications*.

8. **Multiple Awards**

**ITS** reserves the right to make multiple awards.

9. **Right to Award in Whole or Part**

**ITS** reserves the right to approve an award by individual items or in total, whichever is deemed to be in the best interest of the State of Mississippi.

10. **Right to Use Proposals in Future Projects**

The State reserves the right to evaluate the awarded proposal from this RFP, including all products and services proposed therein, along with the resulting contractual terms, for possible use in future projects if (a) it is deemed to be in the best interest of the State to do so; and (b) the Vendor is willing to extend a cost less than or equal to that specified in the awarded proposal and resulting contract. A decision concerning the utilization of a Vendor's proposal for future projects is solely at the discretion of the State and requires the agreement of the proposing Vendor. The State's decision to reuse an awarded proposal will be based upon such criteria as: (1) the customer's business requirements; (2) elapsed time since the award of the original project; and/or (3) research on changes in the Vendor, market, and technical environments since the initial award.

11. **Price Changes During Award or Renewal Period**

A price increase will not be accepted during the award period or the renewal period, unless stipulated in the contract. However, the State will always take advantage of price decreases.

12. **Right to Request Information**

The State reserves the right to request information relative to a Vendor's references and financial status and to visit a Vendor's facilities during normal working hours. The State also reserves the right to request a current financial statement, prepared and certified by an independent auditing firm, and reserves the right to require that Vendors document their financial ability to provide the products and services proposed up to the total dollar amount of the Vendor's cost proposal. The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, even if that customer is not included in the Vendor's list of references.

13. **Vendor Personnel**

For RFPs including professional services specifications, the Vendor will be required to provide and/or certify the following for each individual included in the Vendor's proposal:

- 13.1 A direct telephone number at which the individual may be contacted for a telephone interview. The State will pay toll charges in the continental United States. The Vendor must arrange a toll-free number for all other calls.

- 13.2 That, if onsite interviews are required, the individual can be at the specified location in Mississippi within the timeframe specified. All costs associated with onsite interviews will be the responsibility of the Vendor.
- 13.3 That the individual is proficient in spoken and written English;
- 13.4 That the individual is a U.S. citizen or that the individual meets and will maintain employment eligibility requirements in compliance with all INS regulations. The Vendor must provide evidence of identification and employment eligibility prior to the award of a contract that includes any personnel who are not U. S. citizens.
- 13.5 That the personnel assigned to a project will remain a part of the project throughout the duration of the contract as long as the personnel are employed by the Vendor, unless replaced by the Vendor at the request of the State. This requirement includes the responsibility for ensuring all non-citizens maintain current INS eligibility throughout the duration of the contract.

**14. Vendor Imposed Constraints**

The Vendor must specifically document what limitations, if any, exist in working with any other Contractor acting in the capacity of the State's business partner, subcontractor or agent who may be managing any present or future projects; performing quality assurance; integrating the Vendor's software; and/or providing web-hosting, hardware, networking or other processing services on the State's behalf. The project relationship may be based on roles as either equal peers; supervisory – subordinate; or subordinate – supervisory, as determined by the State. The State recognizes that the Vendor may have trade secrets, intellectual property and/or business relationships that may be subject to its corporate policies or agreements. The State must understand these issues in order to decide to what degree they may impact the State's ability to conduct business for this project. These considerations will be incorporated accordingly into the proposal evaluation and selection process. The understanding reached between the Vendor and the State with regard to this business relationship precludes the Vendor from imposing any subsequent limitations of this type in future project undertakings by the State.

**15. Best and Final Offer**

The State reserves the right to solicit Best and Final Offers (BAFOs) from Vendors, principally in situations in which proposal costs eclipse available funding or the State believes none of the competing proposals presents a Best Value (lowest and best proposal) opportunity. Because of the time and expense incurred by both the Vendor community and the State, BAFOs are not routinely conducted. Vendors should offer their best pricing with the initial solicitation. Situations warranting solicitation of a BAFO will be considered an exceptional practice for any procurement. Vendors that remain in a competitive range within an evaluation may be requested to tender Best and Final Offers, at the sole discretion of the State. All such Vendors will be provided an equal opportunity to respond with a Best and Final Offer under a procedure to be defined by the State that encompasses the specific, refined needs of a project, as part of the BAFO solicitation. The State may re-evaluate and amend the original project specifications should it be deemed necessary in order to improve the opportunity for

attaining Best Value scenarios from among the remaining competing Vendors. All BAFO proceedings will be uniformly conducted, in writing and subject to solicitation by the State and receipt from the Vendors under a precise schedule.

**16. Restriction on Advertising**

The Vendor must receive written approval from the State before advertising or referencing the award of the contract or the services being provided. The Vendor must agree not to refer to awards in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed or preferred by the State of Mississippi.

**17. Rights Reserved to Use Existing Product Contracts**

The State reserves the right on turnkey projects to secure certain products from other existing **ITS** contracts if it is in its best interest to do so. If this option is exercised, then the awarded Vendor must be willing to integrate the acquisition and implementation of such products within the schedule and system under contract.

**18. Additional Information to be Included**

In addition to answering each specification within this RFP, the Vendor must include complete product/service information, including product pictorials and technical/descriptive literature relative to any product/service offered with the proposal. Information submitted must be sufficiently detailed to substantiate that the products/services offered meet or exceed specifications.

**19. Valid Contract Required to Begin Work**

The successful Vendor should not commence any billable work until a valid contract has been executed. Any work done by the successful Vendor prior to the execution of the contract is done at the Vendor's sole risk. The State is under no obligation to pay for work done prior to the execution of a contract.

## SECTION IV LEGAL AND CONTRACTUAL INFORMATION

The objective of the *Legal and Contractual Information* section is to provide Vendors with information required to complete a contract or agreement with **ITS** successfully.

1. **Acknowledgment Precludes Later Exception**

By signing the *Submission Cover Sheet*, the Vendor is contractually obligated to comply with all items in this RFP, including the *Standard Contract* in Exhibit A if included herein, except those specifically listed as exceptions on the *Proposal Exception Summary Form*. If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions. Vendors who respond to this RFP by signing the *Submission Cover Sheet* may not later take exception to any item in the RFP during contract negotiations. This acknowledgement also contractually obligates any and all subcontractors that may be proposed. No exceptions by subcontractors or separate terms and conditions will be entertained after the fact.

2. **Failure to Respond as Prescribed**

Failure to respond as described in Section II: *Proposal Submission Requirements* to any item in the sections and exhibits of this RFP, including the *Standard Contract* attached as Exhibit A, if applicable, shall contractually obligate the Vendor to comply with that item.

3. **Contract Documents**

**ITS** will be responsible for all document creation and editorial control over all contractual documentation related to each procurement project. The following documents will normally be included in all contracts between **ITS** and the Vendor:

- 3.1 The Proposal Exception Summary Form as accepted by **ITS**;
- 3.2 Contracts which have been signed by the Vendor and **ITS**;
- 3.3 **ITS'** Request for Proposal, including all addenda;
- 3.4 Official written correspondence from **ITS** to the Vendor;
- 3.5 Official written correspondence from the Vendor to **ITS** when clarifying the Vendor's proposal; and
- 3.6 The Vendor's proposal response to the **ITS** RFP.

4. **Order of Precedence**

When a conflict arises regarding contract intent due to conflicting statements in documents included in the contract, the order of precedence of each document is as listed above unless modification of order is negotiated and agreed upon by both **ITS** and the winning Vendor.

5. **Additional Contract Provisions**

The contract will also include such additional provisions, which are not inconsistent or incompatible with the material terms of this RFP, as may be agreed upon by the parties. All of the foregoing shall be in such form and substance as prescribed by the State.

6. **Contracting Agent by Law**

The Executive Director of **ITS** is, by law, the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of computer and telecommunications equipment, systems, software, and services (Section 25-53-1, et seq., of the Mississippi Code Annotated). **ITS** is issuing this RFP on behalf of the procuring agency or institution. **ITS** and the procuring agency or institution are sometimes collectively referred to within this RFP as "State."

7. **Mandatory Legal Provisions**

- 7.1 The State of Mississippi is self-insured; all requirements for the purchase of casualty or liability insurance are deleted.
- 7.2 Any provisions disclaiming implied warranties shall be null and void. See Mississippi Code Annotated Sections 11-7-18 and 75-2-719(4). The Vendor shall not disclaim the implied warranties of merchantability and fitness for a particular purpose.
- 7.3 The Vendor shall have no limitation on liability for claims related to the following items:
  - 7.3.1 Infringement issues;
  - 7.3.2 Bodily injury;
  - 7.3.3 Death;
  - 7.3.4 Physical damage to tangible personal and/or real property; and/or
  - 7.3.5 The intentional and willful misconduct or negligent acts of the Vendor and/or Vendor's employees or subcontractors.
- 7.4 All requirements that the State pay interest (other than in connection with lease-purchase contracts not exceeding five years) are deleted.
- 7.5 Any contract negotiated under this RFP will be governed by and construed according to the laws of the State of Mississippi. Venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi.
- 7.6 Any contract negotiated under this RFP is cancelable in the event the funding authority does not appropriate funds. Notice requirements to Vendor cannot exceed sixty (60) days.

- 7.7 The State of Mississippi does not waive its sovereign immunities or defenses as provided by law by entering into this contract with the Vendor, Vendor agents, subcontractors, or assignees.
- 7.8 The State will deliver payments to the Vendor within forty-five (45) days after receipt of invoice and receipt, inspection, and approval of Vendor's products/services. No late charges will exceed 1.5% per month on any unpaid balance from the expiration of said period until payment is delivered. See Section 31-7-305 of the Mississippi Code Annotated. Seller understands and agrees that Purchaser is exempt from the payment of taxes.
- 7.9 The State shall not pay any attorney's fees, prejudgment interest or the cost of legal action to or for the Vendor.
8. **Approved Contract**
- 8.1 Award of Contract - A contract is considered to be awarded to a proposer once the proposer's offering has been approved as lowest and best proposal through:
- 8.1.1 Written notification made to proposers on **ITS** letterhead, or
- 8.1.2 Notification posted to the **ITS** website for the project, or
- 8.1.3 CP-1 authorization executed for the project, or
- 8.1.4 The **ITS** Board's approval of same during an open session of the Board.
- 8.2 **ITS** statute specifies whether **ITS** Director approval or **ITS** Board approval is applicable for a given project, depending on the total lifecycle cost of the contract.
- 8.3 A contract is not deemed final until five (5) working days after either the award of contract or post procurement review, as stipulated in the **ITS** Protest Procedure and Policy. In the event of a valid protest, the State may, at its sole discretion, continue the procurement or stay the procurement in accordance with the **ITS** Protest Procedure and Policy. If the procurement is stayed, the contract is not deemed final until the protest is resolved.
9. **Contract Validity**  
All contracts are valid only if signed by the Executive Director of **ITS** and the Commissioner of Revenue.
10. **Order of Contract Execution**  
Vendors will be required to sign contracts and to initial all contract changes before the Executive Director of **ITS** signs.



**11. Availability of Funds**

All contracts are subject to availability of funds of the acquiring State entity and are contingent upon receipt by the winning Vendor of a purchase order from the acquiring State entity.

**12. CP-1 Requirement**

All purchase orders issued for goods and services acquired from the awarded Vendor under this RFP must be encoded by the Customer agency with a CP-1 approval number assigned by **ITS**. This requirement does not apply to acquisitions that by policy have been delegated to State entities.

**13. Requirement for Electronic Payment and Invoicing**

13.1 Payments to the awarded Vendor for all goods and services acquired under this RFP by state agencies that make payments through the Mississippi State Government's Enterprise Resource Planning (ERP) solution ("MAGIC") will be made electronically, via deposit to the bank account of the Vendor's choice. The awarded Vendor must enroll and be activated in PayMode™, the State's current vehicle for sending and receiving electronic payments, prior to receiving any payments from state agencies. There is no charge for a Vendor to enroll or receive payments via PayMode. For additional information on PayMode, including registration instructions, Vendors should visit the following website: <http://portal.paymode.com/ms/>. Vendors may also request assistance from the Mississippi Management and Reporting System (MMRS) Call Center regarding PayMode registration by contacting [mash@dfa.ms.gov](mailto:mash@dfa.ms.gov).

13.2 For state agencies that make payments through MAGIC, the awarded Vendor is required to submit electronically all invoices for goods and services acquired under this RFP, along with appropriate supporting documentation, as directed by the State.

13.3 Items 13.1 and 13.2 only apply to state agencies that make payments through MAGIC. Payments and invoices for all other entities will conform to their standard methods of payment to contractors.

**14. Time For Negotiations**

14.1 All contractual issues must be successfully negotiated within fifteen (15) working days from the Vendor's initial receipt of the project contract from **ITS**, unless **ITS** consents to extend the period. Failure to complete negotiations within the stated time period constitutes grounds for rejection of the Vendor's response to this RFP. **ITS** may withdraw the proposal award and begin negotiations with the next ranked Vendor immediately or pursue any other option.

14.2 Negotiations shall be limited to items to which the Vendor has noted as exceptions on their Proposal Exception Summary Form, as well as any new items that the State may require. All contract changes requested by the

Vendor related to such exceptions noted in Vendor's proposal shall be submitted three (3) working days prior to scheduled negotiations, unless **ITS** consents to a different period.

**15. Prime Contractor**

The selected Vendor will be designated the prime contractor in the proposal, and as such, shall be solely responsible for all products/services offered in the proposal and for the fulfillment of the contract with the State.

**16. Sole Point of Contact**

**ITS** will consider the selected Vendor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

16.1 The Vendor must acknowledge and agree that in matters of proposals, clarifications, negotiations, contracts and resolution of issues and/or disputes, the Vendor represents all contractors, third parties and/or subcontractors the Vendor has assembled for this project. The Vendor's commitments are binding on all such parties and consequently the State is only required to negotiate with the Vendor.

16.2 Furthermore, the Vendor acknowledges and agrees to pass all rights and/or services related to all general consulting, services leasing, software licensing, warranties, hardware maintenance and/or software support to the State from any contractor, third party or subcontractor without the State having to negotiate separately or individually with any such parties for these terms or conditions.

16.3 Should a proposing Vendor wish to assign payment of any or all charges resulting from this contract to a third party, Vendor must disclose that fact in his/her proposal, along with the third party's name, address, nature of business, and relationship to the proposing Vendor, the reason for and purpose of the assignment, and all conditions of the assignment, including but not limited to a copy of an assignment document to be executed by the State, the Vendor, and the third party. Such assignments will be accepted or rejected at the sole discretion of the State. Vendor must clearly and definitively state in his/her proposal whether the proposal is contingent upon the requested assignment of payments. Whenever any assignment of payment is requested, the proposal, contract, and assignment document must include language specifically guaranteeing that the proposing Vendor is solely and fully liable and responsible for the performance of its obligations under the subject contract. No assignment of payment will be considered at the time of purchase unless such assignment was fully disclosed in the Vendor's proposal and subsequently accepted by the State.

**17. ITS Approval of Subcontractor Required**

Unless provided in the contract, the Vendor shall not contract with any other party for furnishing any of the contracted work or services without the consent, guidance, and written approval of the State. **ITS** and MDOR reserve the right of refusal and the right to request replacement of a subcontractor due to unacceptable work or conduct. This provision should not be interpreted as requiring the approval of individual contracts of employment between the Vendor and personnel assigned for services under the contract.

**18. Inclusion of Subcontract Agreements**

Copies of any agreements to be executed between the Vendor and any subcontractors must be included in the Vendor's proposal.

**19. Negotiations with Subcontractor**

In order to protect the State's interest, **ITS** and MDOR reserve the right to attempt to resolve the contractual disagreements that may arise between the Vendor and its subcontractor after award of the contract.

**20. References to Vendor to Include Subcontractor**

All references in the RFP to "Vendor" shall be construed to encompass both the Vendor and its subcontractors.

**21. Outstanding Vendor Obligations**

- 21.1 Any Vendor who presently owes the State of Mississippi money pursuant to any contract for which **ITS** is the contracting agent and who has received written notification from **ITS** regarding the monies owed, must submit, with the proposal, a certified check in the amount due and owing in order for the proposal in response to this RFP to be considered. For a Vendor currently in bankruptcy as of the RFP submission date, this requirement is met, if and only if, **ITS** has an active petition before the appropriate bankruptcy court for recovery of the full dollar amount presently owed to the State of Mississippi by that Vendor. If the Vendor has emerged from bankruptcy by the RFP submission date, the Vendor must pay in full any amount due and owing to the State, as directed in the court-approved reorganization plan, prior to any proposal being considered.
- 21.2 Any Vendor who is presently in default on existing contracts for which **ITS** is the contracting agent, or who otherwise is delinquent in the performance of any such contracted obligations, is in the sole judgment of the State required to make arrangement for fulfilling outstanding obligations to the satisfaction of the State in order for the proposal to be considered.
- 21.3 The State, at its sole discretion, may reject the proposal of a Vendor with any significant outstanding financial or other obligations to the State or who is in bankruptcy at the time of proposal submission.

**22. Equipment Condition**

For all RFPs requiring equipment, the Vendor must furnish only new equipment in response to **ITS** specifications, unless an explicit requirement for used equipment is otherwise specified.

**23. Delivery Intervals**

The Vendor's proposal must specify, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, delivery and installation intervals after receipt of order.

**24. Pricing Guarantee**

The Vendor must explicitly state, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, how long the proposal will remain valid. Unless stated to the contrary in the *Technical Specifications*, pricing must be guaranteed for a minimum of ninety (90) days.

**25. Shipping Charges**

For all RFPs requiring shipment of any product or component, all products must be delivered FOB destination to any location within the geographic boundaries of the State with all transportation charges prepaid and included in the RFP proposal or LOC quotation. Destination is the point of use.

**26. Amortization Schedule**

For all RFPs requiring equipment, contracts involving the payment of interest must include an amortization schedule clearly documenting the amount of interest payable over the term of the contract.

**27. Americans with Disabilities Act Compliance for Web Development and Portal Related Services**

All Web and Portal development work must be designed and implemented in compliance with the Electronic and Information Technology Accessibility Standards associated with Section 508 of the Rehabilitation Act and with the Web Accessibility Initiative (WAI) of the W3C.

**28. Ownership of Developed Software**

28.1 When specifications require the Vendor to develop software for the State, the Vendor must acknowledge and agree that the State is the sole owner of such developed software with exclusive rights to use, alter, or distribute the software without restriction. This requirement applies to source code, object code, and documentation.

28.2 The State may be willing to grant the Vendor a nonexclusive license to use the State's software subject to devising acceptable terms and license fees. This requirement is a matter of State Law, and not negotiable.

**29. Ownership of Custom Tailored Software**

In installations where the Vendor's intellectual property is modified and custom-tailored to meet the needs of the State, the Vendor must offer the State an application license

entitling the State to use, and/or alter the software without restriction. These requirements apply to source code, object code and documentation.

30. **Terms of Software License**

The Vendor acknowledges and agrees that the term of all software licenses provided to the State shall be perpetual unless stated otherwise in the Vendor's proposal.

31. **The State is Licensee of Record**

The Vendor must not bypass the software contracting phase of a project by licensing project software intended for State use in its company name. Upon award of a project, the Vendor must ensure that the State is properly licensed for all software that is proposed for use in a project.

32. **Compliance with Enterprise Security Policy**

Any solution proposed in response to this RFP must be in compliance with the State of Mississippi's Enterprise Security Policy. The Enterprise Security Policy is based on industry-standard best practices, policy, and guidelines and covers the following topics: web servers, email, virus prevention, firewalls, data encryption, remote access, passwords, servers, physical access, traffic restrictions, wireless, laptop and mobile devices, disposal of hardware/media, and application assessment/certification. Given that information security is an evolving technology practice, the State reserves the right to introduce new policy during the term of the contract resulting from this RFP and require the Vendor to comply with same in the event the industry introduces more secure, robust solutions or practices that facilitate a more secure posture for the State of Mississippi.

The Enterprise Security Policy is available to third parties on a need-to-know basis and requires the execution of a non-disclosure agreement prior to accessing the policy. The Vendor may request individual sections of the Enterprise Security Policy or request the entire document. The instructions for acquiring the State of Mississippi Enterprise Security Policy can be found at the link below.

<http://www.its.ms.gov/Services/Pages/ENTERPRISE-SECURITY-POLICY.aspx>

33. **Negotiating with Next-Ranked Vendor**

Should the State cease doing business with any Vendor selected via this RFP process, for any reason, the State reserves the right to initiate negotiations with the next ranked Vendor.

34. **Disclosure of Proposal Information**

Vendors should be aware that any information in a proposal may be subject to disclosure or reproduction under the Mississippi Public Records Act of 1983, defined in Section 25-61-1 et seq. of the Mississippi Code Annotated. All disclosures of proposal information will be made in compliance with the **ITS** Public Records Procedures established in accordance with the Mississippi Public Records Act. The **ITS** Public Records Procedures are available in Section 019-010 of the **ITS** Procurement Handbook, on the **ITS** Internet site at:

<http://www.its.ms.gov/Procurement/Documents/ISS%20Procurement%20Manual.pdf#page=153> or from **ITS** upon request.

As outlined in the Third Party Information section of the **ITS** Public Records Procedures, **ITS** will give written notice to any affected Vendor of a request to view or reproduce the Vendor's proposal or portion thereof. **ITS** will not, however, give such notice with respect to summary information prepared in connection with the State's review or evaluation of a Vendor's proposal, including, but not limited to, written presentations to the **ITS** Board or other approving bodies, and/or similar written documentation prepared for the project file. In addition, **ITS** will not provide third-party notice for requests for any contract executed as a result of this RFP.

Summary information and contract terms, as defined above, become the property of **ITS**, who has the right to reproduce or distribute this information without notification.

Vendors should further be aware that requests for disclosure of proposal information are sometimes received by **ITS** significantly after the proposal opening date. **ITS** will notify the signatory "Officer in Bind of Company" provided in Section I of this RFP for Notification of Public Records Requests in the event information is requested that your company might wish to consider protecting as a trade secret or as confidential commercial or financial information. If the "Officer in Bind of Company" should not be used for notification of public records requests, Vendor should provide the alternative contact information in response to this RFP item.

**35. Risk Factors to be Assessed**

The State will assess risk factors that may initially exist within a given procurement and that may develop over the course of a procurement process as facts become known. The State, at its sole discretion, may employ the following mechanisms in mitigating these risks: proposal bonding, performance bonding, progress payment plan with retainage, inclusion of liquidated damages, and withholding payment for all portions of the products/services acquired until final acceptance. The Vendor must agree to incorporate any or all of the above terms and conditions into the customer agreement.

**36. Proposal Bond**

The Vendor is required to include a proposal bond in the amount of \$7,500.00 with its RFP proposal. Vendor is specifically disallowed from taking exception to the proposal bond requirement. Proposals without proposal bonds will be rejected.

The security must be in the form of a bond, irrevocable letter of credit, certified check, or cashier's check (hereinafter, "security") payable to the **Mississippi Department of Revenue**, to be held by their contracting agent, the Mississippi Department of Information Technology Services, and must be placed in the front of the Vendor's proposal. The submission of an acceptable security is a condition precedent to a valid proposal, and the amount of the security is not negotiable or contestable. Any proposal received without the security will be rejected and returned to the Vendor without further consideration.

The security binds the Vendor to the commitments made in writing in the Vendor's proposal. The security will be forfeited in the event the awarded Vendor, at any time during the contract negotiation process, refuses to honor commitments made in its proposal, reneges on pricing, takes exception to any term or condition that was not

addressed in the Vendor's written proposal, or fails to execute a contract as anticipated in the RFP and the Vendor's proposal, including documented exceptions, within fifteen (15) working days after the Vendor's initial receipt of the project contract from **ITS**, unless an extension is agreed to by **ITS**.

As stated in the RFP, the Vendor may take exception to any point without incurring any liability to provide items to which an exception has been taken. Likewise, the State has no obligation to accept any proposed exception. Should the State decide, at its sole discretion and at any point in the process, that an exception is NOT acceptable, **ITS** will reject the Vendor's proposal and return the Vendor's security.

The Vendor's security will be returned promptly after **ITS** and the successful Vendor have executed a contract or within ninety (90) days after opening the proposals if no letter of intent to award a contract has been sent. In the event that the successful Vendor fails to accept and sign the mutually negotiated contract, that Vendor shall be disqualified and **ITS** shall initiate negotiations with the next ranked Vendor until a contract is successfully negotiated, or **ITS** elects to cancel the procurement. The securities of all remaining Vendors will be returned when a contract has been successfully negotiated and executed, or when the procurement is canceled.

37. **Performance Bond/Irrevocable Bank Letter of Credit**

The Vendor must include the price of a performance bond or irrevocable bank letter of credit with its RFP proposal. The cost of the bond or letter of credit must be shown as a separate line item in the *Cost Information Submission*. The performance bond or letter of credit must be procured at the Vendor's expense prior to the execution of the contract and may be invoiced to **Mississippi Department of Revenue** after contract initiation only if itemized in the *Cost Information Submission* and in the executed contract. **The final decision as to the requirement for a Performance Bond or Irrevocable Bank Letter of Credit will be made upon contract award and is at the State's sole discretion.**

If a Performance Bond /Irrevocable Bank Letter of Credit is required, the Vendor must procure and submit to **ITS**, on behalf of **Mississippi Department of Revenue**, with the executed contract, (a) a performance bond from a reliable surety company authorized to do business in the State of Mississippi or (b) an irrevocable bank letter of credit that is acceptable to the State. The Performance Bond or the Irrevocable Letter of Credit shall be for \$25,000,000.00 and shall be payable to **Mississippi Department of Revenue**, to be held by their contracting agent, the Mississippi Department of Information Technology Services. No contract resulting from this RFP will be valid until the required Performance Bond or Irrevocable Bank Letter of Credit has been received and found to be in proper form and amount. The Vendor agrees that the State has the right to request payment for a partial amount or the full amount of the Irrevocable Letter of Credit/Performance bond should the products/services being procured hereunder not be provided in a manner consistent with this RFP and the Vendor's proposal by the delivery dates agreed upon by the parties. The State may demand payment by contacting the bank issuing the letter of credit or the bonding company issuing the performance bond and making a written request for full or partial payment. The issuing bank/bonding company is required to honor any demand for payment from the State within fifteen (15) days of notification. The letter of credit/performance bond shall cover the entire contract

period, with the exception of post-warranty maintenance and support, and shall not be released until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Vendor's performance and performance of the products/services delivered and determine that the letter of credit/performance bond may be reduced or released prior to expiration of the full warranty period.

38. **Responsibility for Behavior of Vendor Employees/Subcontractors**

The Vendor will be responsible for the behavior of all its employees and subcontractors while on the premises of any State agency or institution. Any Vendor employee or subcontractor acting in a manner determined by the administration of any State agency or institution to be detrimental, abusive, or offensive to any of the staff or student body of any State agency or institution will be asked to leave the premises and can be suspended from further work on the premises.

39. **Protests**

The Executive Director of **ITS** and/or the Board Members of **ITS** or their designees shall have the authority to resolve Vendor protests in connection with the selection for award of a contract. Copies of the protest procedures are available on the **ITS** Internet site - **ITS** Protest Procedure and Policy, Section 019-020, **ITS** Procurement Handbook at:

<http://www.its.ms.gov/Procurement/Documents/ISS%20Procurement%20Manual.pdf#page=171> or from **ITS** upon request.

40. **Protest Bond**

Potential Vendors may protest any of the specifications of this RFP on the belief that the specification is unlawful, unduly restrictive, or unjustifiably restraining to competition. Any such protest must be in writing and submitted to the **ITS** Executive Director along with the appropriate protest bond within five (5) working days of the Official Release of the RFP, as defined in the **ITS** Protest Procedure and Policy. The outside of the envelope must be marked "Protest" and must specify RFP number **3830**.

As a condition precedent to filing any protest related to this procurement, the Vendor must procure, submit to the **ITS** Executive Director with its written protest, and maintain in effect at all times during the course of the protest or appeal thereof, a protest bond in the full amount of the total estimated project lifecycle cost or **\$250,000.00**, whichever is less. The total estimated project lifecycle cost will be the amount used by **ITS** in the computation of cost points, as the low cost in the denominator of the cost evaluation formula. The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the protest bond and shall identify a contact person to be notified in the event that the State is required to take action against the bond. The protest bond shall not be released to the protesting Vendor until the protest is finally resolved and the time for appealing said protest has expired. The protest bond shall be procured at the protesting Vendor's expense and be payable to the Mississippi Department of Information Technology Services. Prior to approval of the protest bond, **ITS** reserves the right to review the protest bond and require the protesting Vendor to



substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by the protesting Vendor. The State may claim against the protest bond as specified in Section 25-53-5 (n) of the Mississippi Code of 1972, as amended during the 1998 Mississippi legislative session, in addition to all other rights and remedies the State may have at law or in equity.

Should the written protest submitted by the Vendor fail to comply with the content requirements of **ITS'** protest procedure and policy, fail to be submitted within the prescribed time limits, or fail to have the appropriate protest bond accompany it, the protest will be summarily dismissed by the **ITS** Executive Director.

41. **Mississippi Employment Protection Act**

Effective July 1, 2008, Vendor acknowledges that if awarded, it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Vendor will agree to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State.

Vendor acknowledges and certifies that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi.

Vendor acknowledges that violating the E-Verify Program (or successor thereto) requirements subjects Vendor to the following: (a) cancellation of any state or public contract and ineligibility for any state or public contract for up to three (3) years, with notice of such cancellation being made public, or (b) the loss of any license, permit, certification or other document granted to Vendor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. Vendor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

## SECTION V PROPOSAL EXCEPTIONS

Please return the *Proposal Exception Summary Form* at the end of this section with all exceptions to items in any Section of this RFP listed and clearly explained or state "No Exceptions Taken." If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions to any item in this RFP document.

1. Unless specifically disallowed on any specification herein, the Vendor may take exception to any point within this RFP, including a specification denoted with "shall" or "must," as long as the following are true:
  - 1.1 The specification is not a matter of State law;
  - 1.2 The proposal still meets the intent of the RFP;
  - 1.3 A *Proposal Exception Summary Form* is included with Vendor's proposal; and
  - 1.4 The exception is clearly explained, along with any alternative or substitution the Vendor proposes to address the intent of the specification, on the *Proposal Exception Summary Form*.
2. The Vendor has no liability to provide items to which an exception has been taken. **ITS** has no obligation to accept any exception. During the proposal evaluation and/or contract negotiation process, the Vendor and **ITS** will discuss each exception and take one of the following actions:
  - 2.1 The Vendor will withdraw the exception and meet the specification in the manner prescribed;
  - 2.2 **ITS** will determine that the exception neither poses significant risk to the project nor undermines the intent of the RFP and will accept the exception;
  - 2.3 **ITS** and the Vendor will agree on compromise language dealing with the exception and will insert same into the contract; or
  - 2.4 None of the above actions is possible, and **ITS** either disqualifies the Vendor's proposal or withdraws the award and proceeds to the next ranked Vendor.
3. Should **ITS** and the Vendor reach a successful agreement, **ITS** will sign adjacent to each exception which is being accepted or submit a formal written response to the *Proposal Exception Summary* responding to each of the Vendor's exceptions. The *Proposal Exception Summary*, with those exceptions approved by **ITS**, will become a part of any contract on acquisitions made under this RFP.
4. An exception will be accepted or rejected at the sole discretion of the State.
5. The State desires to award this RFP to a Vendor or Vendors with whom there is a high probability of establishing a mutually agreeable contract, substantially within the

standard terms and conditions of the State's RFP, including the *Standard Contract* in Exhibit A, if included herein. As such, Vendors whose proposals, in the sole opinion of the State, reflect a substantial number of material exceptions to this RFP, may place themselves at a comparative disadvantage in the evaluation process or risk disqualification of their proposals.

6. For Vendors who have successfully negotiated a contract with **ITS** in the past, **ITS** requests that, prior to taking any exceptions to this RFP, the individual(s) preparing this proposal first confer with other individuals who have previously submitted proposals to **ITS** or participated in contract negotiations with **ITS** on behalf of their company, to ensure the Vendor is consistent in the items to which it takes exception.

### PROPOSAL EXCEPTION SUMMARY FORM

List and clearly explain any exceptions, for all RFP Sections and Exhibits, in the table below.

ITS RFP Reference	Vendor Proposal Reference	Brief Explanation of Exception	ITS Acceptance (sign here only if accepted)
(Reference specific outline point to which exception is taken)	(Page, section, items in Vendor's proposal where exception is explained)	(Short description of exception being made)	
1.			
2.			
3.			
4.			
5.			
6.			
7.			

## SECTION VI RFP QUESTIONNAIRE

Please answer each question or provide the information as requested in this section.

1. **Mississippi's Accountability System for Government Information and Collaboration (MAGIC) Information for State of Mississippi Vendor File**

- 1.1 **MAGIC Vendor Code:** Any Vendor who has not previously done business with the State and has not been assigned a MAGIC Vendor code should visit the following link to register:

[https://sus.magic.ms.gov/sap/bc/webdynpro/sapsrm/wda\\_e\\_suco\\_sreg?sap-client=100](https://sus.magic.ms.gov/sap/bc/webdynpro/sapsrm/wda_e_suco_sreg?sap-client=100)

Vendors who have previously done business with the State may obtain their MAGIC Vendor code at the following link:

<http://www.mmrs.state.ms.us/vendors/index.shtml>

All Vendors must furnish **ITS** with their MAGIC Vendor code.

MAGIC Vendor Code: \_\_\_\_\_

Additional Vendor information, including contact information for assistance with MAGIC Vendor codes, can be found at the following link:

<http://www.mmrs.state.ms.us/vendors/index.shtml>

- 1.2 **Vendor Self-Certification Form:** The State of Mississippi, in an effort to capture participation by minority Vendors, asks that each Vendor review the State of Mississippi Minority Vendor Self Certification Form. This information is for tracking/reporting purposes only, and will not be used in determining which Vendor will be chosen for the project. Any Vendor who can claim status as a Minority Business Enterprise or a Woman Business Enterprise in accordance with the definitions on this form and who has not previously submitted a form to the State of Mississippi should submit the completed form with the proposal. A copy of the Minority Vendor Self-Certification Form can be obtained at:

[http://www.mississippi.org/assets/docs/minority/minority\\_vendor\\_selfcertform.pdf](http://www.mississippi.org/assets/docs/minority/minority_vendor_selfcertform.pdf)

Please direct any questions about minority certification in Mississippi to the Minority Business Enterprise Division of the Mississippi Development Authority by telephone at (601) 359-3448 or via email at [minority@mississippi.org](mailto:minority@mississippi.org).

Minority Vendor Self-Certification Form Included: \_\_\_\_\_  
Minority Vendor Self-Certification Form Previously Submitted: \_\_\_\_\_  
Not claiming Minority/Women Business Enterprise Status: \_\_\_\_\_

2. **Certification of Authority to Sell**

The Vendor must certify Vendor is a seller in good standing, authorized to sell and able to deliver all items and related services proposed in the State of Mississippi in the time frame specified. Does the Vendor make these certifications? (A yes or no answer is required.)

3. **Certification of No Conflict of Interest**

Mississippi law clearly forbids a direct or indirect conflict of interest of a company or its employees in selling to the State. The Vendor must answer and/or provide the following:

3.1 Does there exist any possible conflict of interest in the sale of items to any institution within **ITS** jurisdiction or to any governing authority? (A yes or no answer is required.)

3.2 If the possibility of a conflict does exist, provide a list of those institutions and the nature of the conflict on a separate page and include it in your proposal. The Vendor may be precluded from selling to those institutions where a conflict of interest may exist.

4. **Pending Legal Actions**

4.1 Are there any lawsuits or other legal proceedings against the Vendor that pertain to any of the software, hardware, or other materials and/or services which are a part of the Vendor's proposal? (A yes or no answer is required.)

4.2 If so, provide a copy of same and state with specificity the current status of the proceedings.

5. **Non-Disclosure of Social Security Numbers**

Does the Vendor acknowledge that any information system proposed, developed, or modified under this RFP that disseminates, in any form or manner, information or material that contains the Social Security Number of an individual, has mechanisms in place to prevent the inadvertent disclosure of the individual's Social Security Number to members of the general public or to persons other than those persons who, in the performance of their duties and responsibilities, have a lawful and legitimate need to know the individual's Social Security Number? This acknowledgement is required by Section 25-1-111 of the Mississippi Code Annotated.

6. **Order and Remit Address**

The Vendor must specify both an order and a remit address:

Order Address:

--

Remit Address (if different):

--

7. **Web Amendments**

As stated in Section III, **ITS** will use the **ITS** website to post amendments regarding RFPs before the proposal opening at:

[http://www.its.ms.gov/Procurement/Pages/RFPS\\_Awaiting.aspx](http://www.its.ms.gov/Procurement/Pages/RFPS_Awaiting.aspx)

**ITS** may post clarifications until noon seven days prior to the proposal opening date listed on the cover page of this RFP or the posted extension date, if applicable.

Vendors may list any questions or items needing clarification discovered in the week prior to the proposal opening in a written format at the beginning of the proposal binder or in the comment section for the individual offering.

Does the Vendor certify that they have reviewed a copy of the **ITS** amendments for RFPs as above stated? (A yes or no answer is required.)

## SECTION VII TECHNICAL SPECIFICATIONS

### 1. How to Respond to this Section

- 1.1 Beginning with Item 2.1 of this section, label and respond to each outline point in this section as it is labeled in the RFP.
- 1.2 The Vendor must respond with "ACKNOWLEDGED," "WILL COMPLY," "AGREED," or "EXCEPTION" to each point in this section. In addition, many items in this RFP require detailed and specific responses to provide the requested information. Failure to provide the information requested will result in the Vendor receiving a lower score for that item, or, at the State's sole discretion, being subject to disqualification.
- 1.3 "ACKNOWLEDGED" should be used when no vendor response or vendor compliance is required. "ACKNOWLEDGED" simply means the vendor is confirming to the State that he read the statement. This is commonly used in the RFP sections where the agency's current operating environment is described or where general information is being given about the project.
- 1.4 "WILL COMPLY" or "AGREED" are used interchangeably to indicate that the vendor will adhere to the requirement. These terms are used to respond to statements that specify that a vendor or vendor's proposed solution must comply with a specific item or must perform a certain task.
- 1.5 If the Vendor cannot respond with "ACKNOWLEDGED," "WILL COMPLY," or "AGREED," then the Vendor must respond with "EXCEPTION." (See Section V, for additional instructions regarding Vendor exceptions.)
- 1.6 Where an outline point asks a question or requests information, the Vendor must respond with the specific answer or information requested.
- 1.7 In addition to the above, Vendor must provide explicit details as to the manner and degree to which the proposal meets or exceeds each specification.

### 2. Mandatory Provisions in Technical Requirements for this RFP

- 2.1 Certain items in the technical specifications of this RFP are MANDATORY. Vendors are specifically disallowed from taking exception to these mandatory requirements, and proposals that do not meet all mandatory requirements are subject to immediate disqualification.
- 2.2 Mandatory requirements are those requirements classified as **MANDATORY** in Section VII, *Technical Specifications*. Meeting a mandatory requirement means the Vendor has provided a detailed response that demonstrates that the Vendor meets the qualifications and experience requested.



### 3. Procurement Project Schedule

Task	Date
First Advertisement Date for RFP	10/20/2015
Second Advertisement Date for RFP	10/27/2015
Deadline for Vendor's Written Questions	3:00 p.m. Central Time on 11/6/15
Deadline for Questions Answered and Posted to ITS Web Site	11/23/15
Open Proposals	12/9/15
Evaluation of Proposals	12/9/15 -1/29/16
ITS Board Presentation	2/18/16
Contract Negotiation	1/25/16 – 2/11/16
Proposed Project Implementation Start-up	2/29/16

### 4. Statement of Understanding

- 4.1 Vendors may request additional information or clarifications to this RFP using the following procedure:
- 4.1.1 Vendors must clearly identify the specified paragraph(s) in the RFP that is in question.
  - 4.1.2 Vendor must deliver a written document to Donna Hamilton at **ITS** by Friday, November 6, 2015 at 3:00 p.m. Central Time. This document may be delivered by hand, mail, email, or fax. Address information is given on page one of this RFP. The fax number is (601) 713-6380. **ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF QUESTION DOCUMENTS.** It is solely the responsibility of the vendor that the clarification document reaches **ITS** on time. Vendors may contact Donna Hamilton to verify the receipt of their document. Documents received after the deadline will be rejected.
- 4.2 All questions will be compiled and answered, and a written document containing all questions submitted and corresponding answers will be posted on the **ITS** web site by close of business on Monday, November 23, 2015.

### 5. General Overview and Background

- 5.1 The Mississippi Department of Revenue (hereinafter referred to as MDOR) is undertaking comprehensive modernization initiative supporting a broad range of business functions with particular emphasis on functions of MDOR. MDOR is seeking qualified Vendor(s) to provide Intellectual Property (IP) and professional services in support of this initiative with an initial focus on

Legacy System Replacement (LSR) including vehicle registration and titling, dealer licensing and associated MDOR functions.

- 5.2 MDOR may choose to work with Vendors for a broad range of technology requirements including systems integration services, acquisition of new and enhancement of Vendor supplied IP, consulting services and other technology requirements necessary for MDOR's modernization. MDOR may work, either directly or through Vendor supplied subcontractors, with any selected Vendor(s) on additional attendant modernization efforts.
- 5.3 The selected Vendor(s) will be responsible for addressing two broad competencies – providing IP for a comprehensive (defined by a match to functional requirements) motor vehicle solution, and supplying services related to the development and integration of the new system. This will include related implementation, support, and maintenance services. Unless specified otherwise, the solution must use a Microsoft Architecture centric approach, and all functions must be suitable for comprehensive browser deployment in order to ensure compatibility with MDOR's strategic IT direction.
- 5.4 **MANDATORY:** Vendor must have similar Tag and Title Network Systems currently running in production mode in at least two other states. Production means the feature or service is being used by the user community to run their business operations to manage motor vehicles. Vendor must provide reference information in Section IX identifying which references are being used to satisfy this requirement.
- 5.5 Purpose and Objective – **ITS** on behalf of the Mississippi Department of Revenue is seeking the services of a Vendor for the implementation or reengineering/modernization of a large-scale application for the replacement of the existing Title and Tag Network system.
- 5.6 Regarding the initial focus of the intended modernization, MDOR provides motor vehicle title and registration services, collects revenues and distributes such revenues to the state, counties, and various organizations.
- 5.7 The current system used to support MDOR is a COBOL CICS mainframe-based character application that is over 30 years old. Resulting business processes are significantly constrained by these obsolete motor vehicle technologies. The existing legacy systems have serious fundamental limitations and issues related to system operability, security, maintainability, and customer service. Designed to handle the business and customer needs of nearly 40 years ago, the existing system is challenged to keep pace with the increasing demands of today's business environment.
- 5.8 Application structural and technical architectural problems inherent in MDOR's legacy systems severely restrict these system's ability to support the need for business users to efficiently access and maintain common customer information. These "siloeed" systems do not provide a customer centric view for authorized users and customers with a need to readily obtain licensing,

vehicle registration, titling, and inventory information. Titling and vehicle registration systems serve primarily the same set of customers, but some customer information may be different. Each system requires maintenance and historical reference information.

- 5.9        The system does not provide graphical user interfaces that are intuitive and easy to use. As a result, personnel must go through extensive, time-consuming training to learn all the transactions and codes needed to complete the work.
  
- 5.10      Moreover, the legacy system's rigid operating environment makes it difficult for MDOR to update policies, respond to legislative mandates, manage workloads, and administer business activities. Maintaining the legacy system becomes more challenging, as it is increasingly more difficult to find technical and human resources skilled in the outdated technologies.
  
- 5.11      The replacement system will interact and share data with various state computer systems and networks, both in real time and in batch modes.
  
- 5.12      The MDOR Tag and Title Network system will be used by MDOR in support of its various titling and registration activities. The Tag and Title Network system will also be used by Department of Public Safety (DPS), various courts, and other Mississippi law enforcement agencies to assist in enforcing motor vehicle related laws. It must also be used by Mississippi County Tax Collector Offices throughout the state in support of their duties related to titling and registering motor vehicles.
  
- 5.13      The Tag and Title Network system will interconnect with other existing state systems as well as state and national networks as specifically described in the requirements defined below.
  
- 5.14      The following information represents the current annual volume of transactions for vehicle titles and registrations, and the number of offices across the State that support these and other types of transactions. This data is provided to assist vendors in understanding the size and complexity of MDOR. Data provided is for fiscal year 2014.

Number of Registrations (License Plates and/or Decals) Under 10,000 pounds	2,749,315
State Issued Tags Issued (Over 10,001 pounds)	64,175
Government Tags Issued	3,933
Sheriff Office Tags Issued	388

Number of Titles Issued	915,404
Number of Dealer Permits Issued	3,803
Number of Dealer Tags Issued	7,641
Number of Temporary and In-transit Tags	35,818
Number of County Tax Collector Offices	109
Number of District Offices	8
Annual Motor Vehicle Revenue	\$125,452,641
Annual Title Revenue	\$10,037,529

## 6. License Plate Types

6.1 Currently license plates for vehicles under 10,000 pounds are issued in all 109 county tax collector's offices. Certain plates are issued from the central location. The county tax collector's offices issue county designated plates from their inventory. The county currently stocks approximately 16 different types of plates in their inventory. The plate manufacturer will mail the specialty and personalized plates directly to the customer from the plate manufacturer. Currently, we have 185 specialty plates in service as of June 30, 2015.

### 6.2 License Plated Issued by each County Office

County Code	County Name	Plates and Decals Issued Fiscal Year Ending June 30, 2014
01	Adams	29,725
02	Alcorn	33,605
03	Amite	16,224
04	Attala	19,183
05	Benton	8,361
06	Bolivar	26,777
07	Calhoun	16,945

County Code	County Name	Plates and Decals Issued Fiscal Year Ending June 30, 2014
08	Carroll	12,065
09	Chickasaw	16,325
10	Choctaw	8,903
11	Claiborne	8,389
12	Clarke	17,975
13	Clay	18,362
14	Coahoma	17,507
15	Copiah	28,313
16	Covington	20,650
17	Desoto	168,974
18	Forrest	58,345
19	Franklin	9,039
20	George	23,119
21	Greene	11,259
22	Grenada	21,254
23	Hancock	44,982
24	Harrison	180,914
25	Hinds	193,718
26	Holmes	15,360
27	Humphreys	6,617
28	Issaquena	1,587
29	Itawamba	22,893
30	Jackson	134,596

County Code	County Name	Plates and Decals Issued Fiscal Year Ending June 30, 2014
31	Jasper	17,681
32	Jefferson	7,447
33	Jefferson Davis	12,958
34	Jones	64,877
35	Kemper	9,257
36	Lafayette	38,251
37	Lamar	53,125
38	Lauderdale	67,425
39	Lawrence	13,887
40	Leake	19,073
41	Lee	76,868
42	Leflore	22,607
43	Lincoln	35,915
44	Lowndes	55,351
45	Madison	99,504
46	Marion	25,141
47	Marshall	39,863
48	Monroe	34,594
49	Montgomery	10,642
50	Neshoba	26,917
51	Newton	20,733
52	Noxubee	9,150

County Code	County Name	Plates and Decals Issued Fiscal Year Ending June 30, 2014
53	Oktibbeha	32,770
54	Panola	30,834
55	Pearl River	55,097
56	Perry	13,282
57	Pike	38,317
58	Pontotoc	29,754
59	Prentiss	22,231
60	Quitman	6,051
61	Rankin	151,751
62	Scott	26,407
63	Sharkey	3,760
64	Simpson	26,692
65	Smith	16,872
66	Stone	17,840
67	Sunflower	18,808
68	Tallahatchie	10,578
69	Tate	25,662
70	Tippah	21,889
71	Tishomingo	21,626
72	Tunica	9,059
73	Union	25,754
74	Walthall	15,254
75	Warren	45,005

County Code	County Name	Plates and Decals Issued Fiscal Year Ending June 30, 2014
76	Washington	37,879
77	Wayne	21,692
78	Webster	10,420
79	Wilkinson	8,875
80	Winston	17,939
81	Yalobusha	12,427
82	Yazoo	21,554

### 6.3 License Plates Issued by State Office

6.3.1 Carriers of Property (Heavy Truck) license plates are issued by MDOR's central office. Heavy Trucks are considered vehicles that travel intrastate only. The weight for these types of vehicles range from 10,001 to 80,000 pounds (as shown in 6.3.1.1) depending on the Gross Vehicle Weight (GVW). The Property Carrier types are Common and Contract Carriers, Private Commercial and Non-Commercial Carriers, and Private Carriers. The Carriers of Property vehicle fees are based on gross vehicle weight (Privilege tax (M1)) and year of vehicle (Additional Privilege (M2)). Privilege Tax schedules are found in MS Code Section 27-19-11. Fees and taxes are collected by County Tax Collector's offices, then submitted to MDOR. MDOR issued 64,175 plates for fiscal year 2014.

#### 6.3.1.1 Weight Classes for Carriers of Property Vehicles

10,001-16,000	54,001-56,000
16,001-20,000	56,001-58,000
20,001-26,000	58,001-60,000
26,001-30,000	60,001-62,000
30,001-36,000	62,001-64,000
36,001-40,000	64,001-66,000



40,001-42,000	66,001-68,000
42,001-44,000	68,001-70,000
44,001-46,000	70,001-72,000
46,001-48,000	72,001-74,000
48,001-50,000	74,001-76,000
50,001-52,000	76,001-78,000
52,001-54,000	78,001-80,000

6.3.2 Various Government license plates are issued by MDOR's central office. Fees and taxes are collected by MDOR. MDOR issued 3,933 Government license plates and 388 Sheriff Office license plates during fiscal year 2014.

6.3.3 License Plates for Undercover Vehicles are issued by MDOR central office. These license plates must have the strictest confidential parameters based on user access rights.

#### 6.4 Certificate of Title

MDOR is the central location for title issuance. MDOR has three (3) types of titles, they are: Original (Blue Border), Replacement (Brown Border), and Non-Transferrable (Duplicate printed on plain paper with title template). Titles are issued with either no brand or with a brand. The current lists of branded titles are as follows: Salvage, Rebuilt, Flood, Fire, Wind, Hail Damaged, and Bonded.

#### 6.5 Dealer Licensing and Permitting

6.5.1 MDOR currently issues license plates and/or permits to all designated agents (as defined in Item 7.17) registered as a motor vehicle licensed dealer. MDOR licensed 3,803 motor vehicle dealers and issued 7,641 dealer license plates.

6.5.2 Dealer Permit types are as follows: Manufactured, New, Used, Limited, Wholesale, Dismantler, Motorcycle, Trailer, and Heavy Truck.

6.5.3 The current dealer plate types are as follows: Manufactured, New, Used, Motorcycle, Trailer, Wholesale, and Heavy Truck.

6.5.4 Licensed dealers have the option to purchase temporary (7 day) and/or in-transit (3 day) tags.

## 7. Functional Requirements

**Item 7, Functional Requirements, describes the desired functionality for a new Tag and Title Network System. Vendors are instructed to provide detailed responses for Item 7, Functional Requirements. Responses of “Acknowledged”, “Will Comply”, or “AGREED” will not be an adequate response. As such, Vendors whose responses, in the sole opinion of the State, do not provide adequate detail may place themselves at a comparative disadvantage in the evaluation process or risk disqualification of their proposal.**

- 7.1 The system will be fully integrated where all components/modules have a consistent common technical architecture and graphical user interface throughout the complete software solution. All portions, interfaces, components, and phases of the system solution must integrate and operate with each other in accordance with the requirements described herein. The integrated Tag and Title Network system solution must provide functionality that is comprehensive, tightly integrated, and designed specifically for the business of managing tags and titles for motor vehicles and manufactured homes.
- 7.2 Motor Vehicle related functions are a key area of the modernization project. The vendor must demonstrate its knowledge, understanding, and capability to address this functionality.
- 7.3 Motor Vehicle Requirements
  - 7.3.1 The system must allow vehicles to be registered to an owner, even when that owner is not a licensed driver in the State (this provides for titled owners that do not possess a Mississippi driver's license).
  - 7.3.2 The system must provide the ability to maintain vehicle and owner historical records over the life of the vehicle and/or owner.
  - 7.3.3 The system must record the legal relationship of owners, such as joint tenancy with right of survivorship.
  - 7.3.4 The system must provide the ability to capture multiple owners (MS Code currently requires a limitation of 2) for a single vehicle transaction.
  - 7.3.5 The system must indicate the relationship of each customer to the vehicle. For example, the lessee, lessor, lien holder, primary owner and etc.
  - 7.3.6 The system must provide the ability to identify individuals by their full legal names (last, first, and middle) including name suffixes (Jr. Sr., I, II, III, etc.).

- 7.3.7 The system must track leased vehicles including the leasing company and address, the lessee and optionally, the lessee address.
- 7.3.8 The system must provide the ability to support non-individual vehicle owners including, but not limited to business entities, trusts, and other organizations.
- 7.3.9 The system must have the capability to identify deceased customers.
- 7.3.10 The system must provide for address validation with the United States Postal Service (USPS) standards.
- 7.3.11 The system must provide the ability to flag an incorrect address with the capability to provide an ad hoc report.
- 7.3.12 The system must provide ability to change address, maintain history of reason for change, and proof; if required.
- 7.3.13 The system must provide a field to be used for the "in care of" line on mailings.
- 7.3.14 The system must support a variety of paper sizes, including all commercially standard sizes used in the motor vehicle industry.
- 7.3.15 The system must be printer agnostic and support various printer types including, but not limited to, laser printers, inkjet printers, and thermal printers, for printing titles and other related documents.
- 7.3.16 The system must provide a simple method for a user to print prepopulated MDOR prescribed forms.
- 7.3.17 The system must not allow duplicate transactions.
- 7.3.18 The system must provide the ability to initiate cross-reference checks from the application without having to exit.
- 7.3.19 The system must provide the ability to prepopulate data on certain transactions based on defined business rules.
- 7.3.20 The system must provide the ability to edit owner and vehicle information that has been prepopulated.
- 7.3.21 The system must provide the ability to automatically create and optionally print a checklist to track which documents have been provided or missing (depending on the transaction), including but not limited to the ability to:

- 7.3.21.1 Issue the registration or title,
- 7.3.21.2 Indicate the missing documentation,
- 7.3.21.3 Automatically generate correspondence to the owner, designated agent, and/or lienholder,
- 7.3.21.4 Establish parameters for each of the missing items along with the number of days required to provide the missing documentation,
- 7.3.21.5 Block any other actions against that registration or title until all required documents are provided, and
- 7.3.21.6 Make the checklist and associated rules definable through the defined business rules.
- 7.3.22 Changes will be recorded with an option of adding a change code and/or a comment related to the change. The system must provide a history of all changes.
- 7.3.23 The system must provide the ability to filter the history of record changes to view only those record changes to a specific field or fields.
- 7.3.24 The system must provide changes to fields based on user access rights.
- 7.3.25 The system must allow changes to be voided (as a status, retained in history) based on user access rights.
- 7.3.26 The system must automatically place a hold on a "pending" application and data until approval is granted based on user access rights.
- 7.3.27 The system must support configuration of different types of vehicles. The system must provide the ability to add, modify, or delete vehicle types as needed.
- 7.3.28 The system must support the titling and registration of assembled vehicles, homemade vehicles, trailers, and etc.
- 7.3.29 The system must interface with a Vehicle Identification Number (VIN) validation program, provide VIN validation logic to verify the VIN, and automatically fill data fields including make, model, body style, vehicle year, GVW and any additional fields added by the governing authority.
- 7.3.30 The system must provide the ability to accept variable length alphanumeric VIN numbers.

- 7.3.31 The system must be able to support inquiries using the short VIN (last 6 characters of VIN) or any combination of the VIN.
- 7.3.32 The system must notify the user if the VIN entered matches a VIN in the system. Furthermore, the system must validate VIN against any file of valid VINs provided by the vehicle manufacturers.
- 7.3.33 The system must provide the ability to capture buyer and seller information for vehicle(s) transferred.
- 7.3.34 The system must prepopulate the registration period based on defined business rules.
- 7.3.35 The system must support multiple types of plates including, but not limited to standard passenger, truck, trailer, bus, and motorcycle plates. The system must provide the ability to have different renewal cycles for different plate types.
- 7.3.36 The system must be able to determine which plate configurations and types of plates can be used on specific vehicle types.
- 7.3.37 The system must provide the ability to easily add new license plate types and series into the system.
- 7.3.38 The system must provide the ability to have configurable supporting documentation requirements that must be submitted/satisfied prior to completing the application transactions.
- 7.3.39 The documents required for a title and registration transaction must be configurable within the system based on defined business rules.
- 7.3.40 The system must allow transactions to be reversed and/or deleted based on user access rights.
- 7.3.41 The system must maintain a history of corrected or canceled transactions.
- 7.3.42 The system must support the ability to record and read "Comments" on each title and registration transaction.
- 7.3.43 The system must provide the ability to disallow certain transactions based on a hold placed by defined business rules and user access rights. The system must provide the ability for each County Tax Collector's office to place or remove a hold on a registration record but cannot remove another county's hold. MDOR must have the capability to add or remove any hold.

- 7.3.44 The system must provide the ability to flag a customer vehicle record for the purpose of fee collection on behalf of another county or state government agency or court, as required by applicable law.
- 7.3.45 The system must provide for the ability to generate, record, and track all correspondence with the customer.
- 7.3.46 The system must provide the ability to issue and manage confidential titles and registrations (for example, undercover vehicles) that will appear to any party as a normal registration, except to those with user access rights.
- 7.3.47 The system must provide an interface for approved customers to perform inquiries on vehicles via the Web.
- 7.3.48 The system must provide the ability to retrieve title and registration information using search criteria such as but not limited to title number, VIN, plate number, owner name(s), lessee name(s), address, and document locator number (DLN).
- 7.3.49 The system must provide the ability to move the current vehicle record to inactive when notified that the state of record has changed.

7.4 Certificate of Title

- 7.4.1 The system must provide services for issuing, modifying, or transferring Certificates of Title for motor vehicles and manufactured homes in the State of Mississippi. A title is a credential used to establish a person, business, or organization as the legal owner of a motor vehicle or a manufactured home. Titles contain the motor vehicle's identifying information such as its Vehicle Identification Number (VIN), ownership information, and lienholder information.
- 7.4.2 The system must provide for a customizable title format, and be in accordance with the universal title layout recommended by the American Association of Motor Vehicle Administrators (AAMVA) and the National Highway Traffic Safety Administration (NHTSA).
- 7.4.3 Titles are printed on controlled print stock with a preprinted control number. The system must support such printing and must generate a unique title number for all types of titles based on title format as defined by MDOR.
- 7.4.4 The system must provide the ability to identify MDOR office, County Tax Collector's office, or designated agent office where application for title was made.

- 7.4.5 The system must provide the ability to capture and process title transactions and title applications in groups of similar batch types (title batching process) or approval of multiple entries.
- 7.4.6 The system must provide the ability to issue, print and maintain motor vehicle titles including different types of titles (including, but not limited to, salvage and rebuilt salvage), and the ability to track branding history.
- 7.4.7 The system must be able to carry forward and print all brand designations on a title. The number of brands to be printed must be configurable.
- 7.4.8 The system must provide the ability to identify a vehicle that is branded as a salvage title vehicle and no registration will be issued.
- 7.4.9 The system must automatically generate a "Junk Certificate" when a title is surrendered as a "Junk Vehicle".
- 7.4.10 The system must allow "Title Only" transactions. This will allow the registered or legal owner(s) of a vehicle the option of titling without applying for registration, based on the vehicle type. A "Title Only" means no license plate is issued. The system must provide the ability to configure the "Title Only" rules based on defined business rules.
- 7.4.11 The system must track information related to title issuance including, but not limited to:
- Owner and co-owner information
  - Owner address
  - Make, model and year of vehicle
  - Color and body style of vehicle
  - Gross vehicle weight
  - VIN
  - Odometer certifications
- 7.4.12 The system must provide the ability to identify/indicate special conditions such as when a title is not issued; for example, if MDOR places a system hold so that a new title will not be printed, or electronic titles will not be created.
- 7.4.13 The system must support the elimination and reinstatement of a manufactured home title document.
- 7.4.14 The system must track lien holders, including multiple lien holders and order of their priority.

- 7.4.15 The system must provide the ability to remove liens/security interests based on defined, acceptable forms of proof of release by user access rights.
- 7.4.16 System must provide the capability to automatically print a title in which a lien release was processed.
- 7.4.17 The system must allow title issuance to be suspended (rejected) or released, including requiring a reason code, an ID for the user performing the action, the date the action was taken, and a description of why suspended (e.g., a court action in progress, etc.).
- 7.4.18 The system must provide the ability to display an outstanding title rejection warning when performing a new title transaction and information indicates that an outstanding title rejection exists.
- 7.4.19 The system must provide the ability to issue a corrected title. For example, if the wrong customer name or vehicle information is printed on the title, the user must be able to correct and re-print the title.
- 7.4.20 The system must provide the ability to void a title number, including a reason code for voiding the title number.
- 7.4.21 The system must provide the ability to cancel an existing title issued by Mississippi or surrendered by a foreign jurisdiction.
- 7.4.22 The system must provide the ability to verify the title document being presented and/or surrendered is the most current Mississippi title for that vehicle and notify the user.
- 7.4.23 The system must provide title surrenders through electronic interface to the National Motor Vehicle Title Information System (NMVTIS).
- 7.4.24 System must allow an authorized user to print an on-demand title for any vehicle titled in Mississippi.
- 7.4.25 The system must provide the ability to print or not print a title receipt upon completion of a title transaction.
- 7.4.26 The system must support the generation of an electronic file to be sent to vendors who provide outsourced title printing.
- 7.4.27 The system must provide the ability to generate replacement and duplicate (non-transferable) titles. A Replacement Title is a certificate of ownership that replaces one that was reported lost, stolen, destroyed, mutilated, or illegible. With the exception of a possible change of address, a replacement certificate of title is



issued showing the same information as the previous certificate of title, but is assigned a new title number. A Duplicate is a non-transferable title generated on non-title paper for customer when lien holder holds original title.

- 7.4.28 The system must be able to print and track the issuance of replacement titles over the life of the vehicle and track the reasons.
- 7.4.29 The system must be able to indicate whether customers are Electronic Lien/Title holders.
- 7.4.30 The system must provide the ability to identify and indicate that a title was not printed but is an electronic title. This information should be maintained on both the title and registration documents.
- 7.4.31 The system must be able to support and generate Electronic Liens and Titles for those owners and/or lessors who wish to participate.
- 7.4.32 The system must provide the ability for electronic transfer of title information to and from lien holders.
- 7.4.33 The system must support electronic Manufacturer's Statement of Origin (MSO) and Manufacturer's Certificate of Origin (MCO) in conjunction with NMVTIS and/or directly from the manufacturer.
- 7.4.34 The system must provide the ability to record and retain historical information on all types of titles.
- 7.4.35 The system must provide the ability to display and print current and historical vehicle title information in a manner that allows the information to be shown as authentic, not fraudulent, such as using MDOR watermarks or other security features.

## 7.5 Motor Vehicle Registration and Fees

- 7.5.1 Motor Vehicle registration is a fee established for residents of the State of Mississippi for operating their vehicle in Mississippi. A customer will pay for one or more years of registration (depending on the expiration of the last registration) per transaction. Motor Vehicle Registration (county and state issued) is composed of several different fees, generally with the Ad Valorem Tax comprising the majority of the total registration cost. These transactions take place in County Tax Collector's offices with the exception of those state registrations issued at MDOR's central location.
- 7.5.2 The system must provide the ability to process flexible period registrations, including, but not limited to, quarterly, one-year, multi-year (prior year) periods and permanent, based on the

vehicle type and/or plate type and have the ability to prorate initial and renewal registrations based on the period of time requested. This would allow a registration period to be easily changed from one year to a staggered month expiration.

- 7.5.3 The system must be able to determine taxes for specific vehicles based on defined business rules.
- 7.5.4 The system must capture and track all required vehicle registration information.
- 7.5.5 The system must provide the ability to capture and/or enter the Manufactured Suggested Retail Price (MSRP) in order to calculate various taxes and fees.
- 7.5.6 A trailer's GVW and use (personal or business) determines the trailer category type. The category type determines the registration length, taxes, and fees. The system must fully support this business process.
- 7.5.7 The system must provide the ability to transfer registration from one vehicle to another vehicle with the same owner and the same or related vehicle type. At least one owner of the previous vehicle must be an owner of the new vehicle. Additional people can be added to the new registration. In some cases the same plate will be used, in other cases a new plate will be issued. The system must prevent the transfer of a plate to a vehicle with an expired registration. The system must provide the ability to configure the rules based on defined business rules.
- 7.5.8 System must provide the ability to process a plate returned from a vehicle registrant and cancel a current registration for the vehicle when customer surrenders the plate. The system must calculate the remaining credit due, if any, to the customer.
- 7.5.9 The system must ensure that each vehicle of its type is registered with a unique plate not to be duplicated.
- 7.5.10 The system must support registrations that are not continuous. If registrations are not renewed for a period of time, the customer is required to pay prior year taxes for the time period during which the vehicle was not registered unless the vehicle meets exceptions as defined in the business rules.
- 7.5.11 The system must provide the ability to assign and support flexible registration expiration dates. Typically the expiration date should be the last day of anniversary month.
- 7.5.12 The system must support registration for exempt vehicles. Government owned (state, county, city) vehicles are exempt from

various taxes and fees and registered as “Exempt” vehicles as defined in business rules.

- 7.5.13 The system must provide the ability to allow Registration Fee and Ad Valorem Tax Exemptions for customers that meet the defined business rules.
- 7.5.14 The system must support a “No Title Issued Transaction” where the customer is still required to register the vehicle. For example: Utility Trailers with GVW under 5,000 pounds.
- 7.5.15 The system must provide the ability to update a vehicle registration record for a new plate.
- 7.5.16 The system must allow a registration on hold to be reinstated, including requiring a reason code and description of set hold with the ability to attach scanned documentation and attach to the appropriate record.
- 7.5.17 The system must provide the ability to display, print, and track registration information with an embedded decal on the registration form.
- 7.5.18 The system must be able to print customized decals based on the type of vehicle registration being performed.
- 7.5.19 The system must support the generation and electronic notifications of the renewal notice for distribution.
- 7.5.20 The system must offer customers the option of renewing vehicles online should DOR decide to make this option available. The solution must interface with the State’s payment processing vendor as required by Mississippi Department of Finance & Administration Administrative Rule available at: <http://www.dfa.state.ms.us/Content/Rules/Final%20credit%20card%20rule.pdf> and attached as Exhibit C. For more information regarding the State’s Payment Processing Vendor please see Exhibit D.
- 7.5.21 The system must provide the counties with the ability to finalize registration renewals that were submitted online.
- 7.5.22 The system must allow intrastate, county, and fleets registration transactions.
- 7.5.23 The system must provide the ability to access, display, and print registration history information.

## 7.6 License Plate and Decal Issuance

- 7.6.1 When a customer registers a vehicle for the first time, they are issued a new vehicle license plate and decal. If the customer is renewing their registration, they will maintain their current vehicle license plate. They are given a decal to put on their license plate that shows the registration expiration date. A motor vehicle must be registered in order to be legally operated. Upon re-issuance of a new license plate design (every 5 years), the customer will receive a new license plate and decal upon first time issuance and renewal.
- 7.6.2 The system must support plate configurations (valid letter and number combinations) by plate type and series.
- 7.6.3 The system must be able to determine the available plate configurations based on vehicle types and use classes.
- 7.6.4 The system must support the issuance of different plate series. A new plate design issues every five (5) years.
- 7.6.5 The system must support the ability for a customer to transfer the same plate number to a different vehicle based on defined business rules.
- 7.6.6 The system must support the request from customers to replace (Substitute) plates and/or decals. A customer can replace plates for a variety of reasons such as loss, theft, damage, wear and tear, or undesirable number/letter combination. The system must provide the ability to record a replacement reason code.
- 7.6.7 The system must provide a method to identify plate numbers that have been reported lost or stolen with a flag that prevents those numbers from being reused in the future as defined in business rules.
- 7.6.8 The system must automatically assign the next plate out of inventory for the plate type selected, including the option for an office to keep a single shared inventory or assigning inventory to each user. Plates must be assigned sequentially, with the option for the user to override the plate number based on user access rights.
- 7.6.9 The system must restrict the allowable plate types for which a vehicle is eligible based on vehicle type.
- 7.6.10 The system must allow plates to be surrendered and record the plate as surrendered in real time.
- 7.6.11 The system must support the ability to reorder the same plate if a duplicate plate is needed or required.

- 7.6.12 The system must provide edits/information to assist the operator in issuing the correct type of plate to a vehicle.
- 7.6.13 The system must provide the ability to change the type of plate selected at any time during the transaction and then re-edit the data.
- 7.6.14 The system must track and flag the number of times that a customer has requested replacement plate(s) and/or decal(s) for a vehicle.
- 7.6.15 The system must support the ability to provide confidential plates for undercover vehicles.
- 7.6.16 The system must track the history of a plate number.

7.7 Vehicle Information

- 7.7.1 The system must provide the ability to change the vehicle type and/or use class on a vehicle at any time.
- 7.7.2 The system must track all fuel types as well as vehicles with multiple fuel types (hybrid vehicles).
- 7.7.3 The system must provide the ability to assign and enter a Mississippi Vehicle Identification Number (VIN) for instances where a manufacturer VIN plate is not available and to assembled vehicles.
- 7.7.4 The system must provide the ability to require odometer disclosures to be entered for specified vehicles by type and age based on defined business rules.
- 7.7.5 The system must provide a flag if the customer reports or the system otherwise receives an odometer reading that is lower than what was previously reported for that vehicle.
- 7.7.6 The system must provide multiple ways to retrieve vehicle information, including, but not limited to:
  - Owner Name
  - VIN
  - License Plate number
  - Address
  - DLN number
  - Current decal number
  - Make, Model, Year of vehicle
  - Combination of other data

7.8 Permits

- 7.8.1 The system must support various types of fees for permits. Each type of permit may have different types of fees applicable.
- 7.8.2 System must provide the capability to create, print on demand, and track vehicle registration permits.
- 7.8.3 System must provide the capability to create, print and/or re-print any permit with the original expiration date because of lost or damaged original permit.

7.9 Reports

- 7.9.1 The system must provide the ability to print standard and ad hoc reports on current and historical vehicle information.
- 7.9.2 The system must provide reports on length of time between title application processing dates such as date entered, date processed, date verified, and date title printed.
- 7.9.3 The system must provide a report of titles that have been cancelled in Mississippi that can be provided electronically to other states.

7.10 In addition to registration fees, the system must be able to calculate and account for other fees and taxes. Examples include privilege tax, ad valorem tax (which consists of City, County, and Separate School Districts), sales or use tax, title fees, late registration penalty, special tag fee, mailing fee, legislative tag credit and previous credit.

- 7.10.1 The system must provide the ability to calculate credit on a surrendered plate and apply credit to new registration period or produce a credit certificate at the time of plate surrender.
- 7.10.2 The system must provide the ability to set a defined minimum refund amount based on defined business rules.
- 7.10.3 The system must provide the ability to exempt certain vehicle owners from fees and taxes based on defined business rules. The system should also record and archive the user ID of any user instituting such exemption(s).
- 7.10.4 The system must provide for certain vehicle owners to be exempt from registration fees.
- 7.10.5 The system must provide the ability to process late renewals. The system must calculate the fees from the beginning of the renewal period with applicable penalty.

- 7.10.6 The system must support the process of collecting and distributing funds for licensed plates and/or decals to county, state, and various designated organizations.
- 7.11 These services relate to adding, releasing, or assigning liens to a vehicle. The system must have the ability to maintain a history of lien information for a vehicle and securely manage lien holder information such as contact information for banks or other financial institutions.
- 7.11.1 The system must provide the capability to add lien data to a vehicle record and must record and retain the user ID and entry date.
- 7.11.2 System must provide the capability to allow authorized users to release a lien that is processed as a counter transaction and must record and retain the user ID and entry date.
- 7.11.3 The system must provide the ability to create, edit and maintain lien holder information, such as:
- Lien holder name
  - Lien holder mailing address
  - Lien holder email address
  - Lien holder phone number(s)
  - Lien holder unique designated ID number for each location
- 7.11.4 The system must provide the ability to search for lien holders by name or other variables and provide a real-time list of possible matches.
- 7.12 A disabled parking placard may be issued to qualified individuals. The system must provide functions for processing disability applications and managing the assignment of disability plates and placards.
- 7.12.1 The system must provide the ability to issue and track both temporary and permanent disabled placards.
- 7.12.2 System must provide the capability to prepopulate and/or edit disabled placard screens using current or historic vehicle owner information.
- 7.12.3 The system must provide the ability to limit the number of disabled placards issued, based on defined business rules, with the ability to automatically issue consecutive placard numbers if more than one is requested.
- 7.12.4 The system must provide the ability for a customer to report a placard as lost, stolen or damaged, with the system issuing a replacement. In addition, the system must track and flag the user.

- 7.13 When a customer registers a vehicle, they may obtain a standard license plate or they may purchase a personalized (vanity) or specialty plate for an additional fee. A personalized plate allows a customer to customize their own license plate with an image of no more than 7 alpha/numeric characters for passenger and pickup plates and no more than 6 alpha/numeric characters for motorcycle and private trailer plates of their choice, subject to the MDOR's approval. A specialty plate displays a specific group or organization, and a portion of the fees for the plate goes to that organization. Categories of specialty plates are subject to change by the Mississippi legislature.
- 7.13.1 The system must allow customers to order personalized (vanity) and specialty plates.
- 7.13.2 The system must provide the capability for determining the availability of personalized plate image requested by customer.
- 7.13.3 The system must allow for a central review of all personalized plate orders prior to issuance of personalized plates.
- 7.13.4 System must provide the ability for automatically placing a special plate order with the plate manufacturer once a special plate transaction is completed.
- 7.13.5 The system must provide the ability to determine if the specialty plate type is still available.
- 7.13.6 The system must provide the ability to move personalized and specialty plates between vehicles owned by the same person based on defined business rules.
- 7.13.7 The system must provide the ability to allow personalized and specialty plates to be relinquished (and made available for reuse automatically), including assessment of a fee to the new applicant.
- 7.13.8 The system must allow a personalized plate number to be made available automatically when the registration connected with this plate has not been renewed within a period of time based on defined business rules.
- 7.13.9 The system must audit personalized plate orders for such characteristics as:
- Conflicting configuration of existing plate types
  - Offensive words / meaning
  - Duplicate configuration
  - Unacceptable plate configurations
  - Acceptable vehicle type



- 7.13.10 The system must automatically update the offensive word list when a personalized plate request is denied because the requested text is deemed offensive.
- 7.13.11 If a personalized plate is denied, the system must issue correspondence.
- 7.13.12 The system must provide the ability to easily add new license plate types into the system.
- 7.13.13 The system must support the issuance of organization specialized plates for customers that provide necessary proof of qualification.
- 7.13.14 The system must provide a method for a personalized plate reported lost or stolen to be flagged and replaced with either a standard plate, or provide for a mechanism for ordering a different personalized plate.
- 7.13.15 The system must allow personalized and specialty plates to be surrendered and record the plate as surrendered.
- 7.14 The system must support an electronic insurance verification system that meets industry standards as defined by Insurance Industry Committee on Motor Vehicle Administration (IICMVA).
- 7.15 Motor Vehicle Records (MVR) is the computer display or printout of a motor vehicle record. The manner in which motor vehicle record information may be released is regulated by the Federal Driver's Privacy Protection Act (or DPPA), 18 USC §§2721-2725, and as adopted in Mississippi Admin Code Title 35.VII.1.01.
  - 7.15.1 The system must provide the ability to create and print a motor vehicle record based on user access rights.
  - 7.15.2 The system must have the ability to create and maintain MVR user accounts.
  - 7.15.3 The system must maintain an audit trail of MVR accounts and single requests.
  - 7.15.4 The system must provide the ability to allow approved customers to access Motor Vehicle Records (MVRs) once all required documents and fees are received. The system must allow an authorized customer to access an MVR via the Web.
  - 7.15.5 The system must provide the ability to query MVR Records, such as, but not limited to: title and registration records.
  - 7.15.6 The system must provide the ability to invoice, pay on-line, and track customer payment for obtaining MVRs.

- 7.15.7 The system must be able to generate a late payment notice to a customer after a specific date based on defined business rules.
- 7.15.8 The system must provide the ability to request individual or batch motor vehicle records based on user access rights.
- 7.16 Dealer licensing and permit system handles activities related to the licensing and regulation of over 3,800 motor vehicle dealers in Mississippi. Services include managing dealership information, managing dealer permits, bonding and blanket insurance information, issuance of license plates, and issuing corrective actions to dealers found to be out of compliance with Mississippi regulations. Statutes governing dealer licensing can be found in Mississippi Admin Code of 1972 as Annotated (MS Code): §27-19-301 through §27-19-337. Compliance laws are found under §27-77-9 through §27-77-13.
- 7.16.1 Dealerships must have an active dealer license in order to operate their business in the State of Mississippi. MDOR currently provides licenses for the following dealer types:
- New Motor Vehicle Dealers
  - Used Motor Vehicle Dealers
  - Limited Motor Vehicle Dealers
  - Wholesale Motor Vehicle Dealers
  - Manufacturers
  - Dismantlers
  - Motorcycle Dealers
  - Trailer Dealers
  - Heavy Truck Dealers
- 7.16.2 The system must provide the ability to add, change, or remove license types as needed.
- 7.16.3 The system must include functionality to allow licensed dealers to request permits over the Internet. Dealers will be able to request, submit, and pay for permits via the web. Permits will be granted based upon defined business rules, such as proper license status (active in good standing), Permit Type, Dealer Type, etc. The system must fully support these business processes. Payments made online to the DOR must be made in accordance with Mississippi Department of Finance & Administration Administrative Rule \_\_\_\_\_ available \_\_\_\_\_ at: <http://www.dfa.state.ms.us/Content/Rules/Final%20credit%20card%20rule.pdf> and attached as Exhibit C. For more information regarding the State's Payment Processing Vendor please see Exhibit D.
- 7.16.4 The system must provide the ability to print dealer permits with an expiration date.

- 7.16.5 The system must track all plates ordered by dealers and record appropriate fees.
- 7.16.6 The system must have the capability to order and/or cancel dealer plates electronically.
- 7.17 Designated Agents are statutorily designated by MDOR to act on their behalf to perform particular operations and/or functions. MDOR may designate County Tax Collectors, licensed motor vehicle dealers, and any other entity as designated agents. Collectively, these designated agents have established a defined electronic partnership with MDOR. The level of collaboration between MDOR and these designated agents can vary from simple periodic sharing of information to conducting business on behalf of each other.
- 7.17.1 The system must provide the ability for certain designated agents to perform selected Title and Registration, and other MDOR transactions.
- 7.17.2 Based on defined business rules some designated agents are granted limited access to the Tag and Title Network system to process approved transactions. County Tax Collectors are granted access to process title and tag applications.
- 7.17.3 The system must allow MDOR to review, audit, and store transactions performed by authorized designated agents for quality assurance.
- 7.17.4 The system must maintain an audit trail of all transactions performed by each authorized designated agent.
- 7.17.5 The system must provide the ability to include retained fees in the pricing structure for authorized designated agent's transactions.
- 7.17.6 The system must provide the ability to add, delete, close, and update a designated agent record.
- 7.17.7 The system must provide the ability to create, edit and maintain designated agent's information, such as, but not limited to:
- Designated Agent name
  - Designated Agent mailing address
  - Designated Agent physical address
  - Designated Agent email address
  - Designated Agent phone number(s)
  - Designated Agent bonding information
  - Designated Agent insurance information

- Designated Agent unique designated ID number for each location
- 7.17.8 The system must provide the ability to track transaction accuracy, and (after corrective action and/or an opportunity for an administrative hearing) revoke authority if the authorized designated agent does not meet pre-defined quality standards.
- 7.17.9 The system must be able to interface with designated agent's software to ease data entry.
- 7.18 Cash Drawer and Finance services must account for all money collected or generated by MDOR, MDOR Customer Service Centers and County Tax Collector's Offices. Primary accounting activities include recording, reconciling, distributing, and refunding revenues. In addition, the accounting system must allow users to research historical financial data and create detailed reports as needed. Revenues collected are to be disbursed to counties, various organizations, and other state funds based on statutory formulas and requirements.
- 7.18.1 Requirements for Cash Drawer & Finance functions address the following areas but not limited to:
- Cash Drawer
  - Payment Processing
  - Refunds
  - Credits
  - Non-Sufficient Funds
  - Collections
  - End of Day Processing
  - End of Month Processing
  - Revenue Accounting and Distribution
  - Financial System Integration
  - Reporting and Data Management
- 7.18.2 The point-of-sale, receipting, and revenue accounting functions must be seamlessly integrated with all services.
- 7.18.3 The system must track all money transacted on the system, including, but not limited to receipts, refunds, external payments, credits, adjustments, offsets, etc.
- 7.18.4 The system must provide a cashiering process whereby funds related to the MDOR business transactions can be received and/or disbursed from/to the appropriate funds accordingly.
- 7.18.5 Each County Tax Collector's office must have the ability to access, view and report on financial transactions for their location

only and not the information for other counties. For those offices with multiple locations, there must be a defined hierarchical relationship. MDOR must be able to view, query and generate reports on financial and location information for all offices based on user access rights.

- 7.18.6 The system must enable transactions to be easily added, removed, and modified.
- 7.18.7 The system must provide the ability to handle multiple types of transactions in addition to all Motor Vehicle Services transactions.
- 7.18.8 The system must provide the ability to prevent a credential from being produced or a transaction from being completed until proper payment has been collected.
- 7.18.9 The system must allow cash drawers to be configured by office and by individual cash drawer locations.
- 7.18.10 The system must allow cash drawers that are workstation-based (multiple operators) or operator-based (single operators).
- 7.18.11 The system must maintain a payment and transaction history on all transactions.
- 7.18.12 The system must be able to configure the types of payments accepted by cash drawer.
- 7.18.13 The system must support payments made by multiple forms (cash, checks, credit cards, debit cards, traveler's checks, certified funds, ACH, etc.).
- 7.18.14 The system must allow authorized users to change the payment type on a statement. For example, if the clerk mistakenly records a cash payment as a check, the system must allow a change to the payment type to cash based on user access rights.
- 7.18.15 The system must provide the ability to view the total amount paid for a transaction with a breakdown of the payment form and amount.
- 7.18.16 The system must provide the ability to flag and restrict specific customers to certain forms of payment when an outstanding NSF payment is due on their record. The system must allow users to override this restriction based on user access rights.
- 7.18.17 The system must provide the ability to combine multiple transactions and produce one total amount due for transactions that are performed by multiple operators or multiple transactions from a single operator.

- 7.18.18 The system must provide the ability to select the transactions to be totaled together into one total amount due.
- 7.18.19 Payments can be accepted from any customer, not necessarily from whom the transaction is created. For example, a mother can pay for her son's registration renewal.
- 7.18.20 The system must provide the ability to void payment(s) and transaction(s) after finalization in real time based on user access rights.
- 7.18.21 The system must provide the ability to save a customer session and process a payment later at any designated office/location without purging all of the transaction information already entered (i.e., to place an application in a pending/unfinished status).
- 7.18.22 The system must be able to generate and print itemized customer receipts. This should be optional and determined by clerk at the time of payment.
- 7.18.23 The system must provide the ability to calculate and display change due as a payment is processed.
- 7.18.24 The system must calculate and display the total amount due for a transaction.
- 7.18.25 The system must provide the ability to show each transaction, the total amounts of the transactions, the payment type, the amount tendered, and the change due on the receipts.
- 7.18.26 The system must allow a summary receipt to be emailed to a customer based on the customer's preferred method of communication.
- 7.18.27 The system must provide the ability to maintain information on fees and taxes including but not limited to: type of tax or fee by vehicle type, plate type or customer type, county, effective date, ending date, account numbers, distribution amounts, distribution percentages, and remit information.
- 7.18.28 The system must provide the ability to track changes to tax rates, effective dates, and ending dates of each tax and fee.
- 7.18.29 The system must use chronological tax information to calculate the correct tax amount based defined business rules.
- 7.18.30 For any tax or fee calculation that spans multiple fee periods and collection locations, the system must calculate the prorated amount for each period, and must include the ability to calculate adjustments, credits, and/or refunds across those periods.

- 7.18.31 The system must provide the ability to configure fee types, including adding, modifying, reporting, and deleting fee types.
- 7.18.32 The system must calculate the distribution of fees and taxes to different funds as required by applicable laws, policies and regulations.
- 7.18.33 The system must provide levels of authority to allow users to adjust/override fees and taxes based on user access rights.
- 7.18.34 The system must provide the ability to track fees, taxes and codes that were adjusted/overridden by a user along with a reason for the override.
- 7.18.35 The system must provide the ability to allow overpayments or pre-written checks for amounts above the total transaction amount if approved by an authorized supervisor/designee.
- 7.18.36 The system must provide the ability to charge a convenience fee for using debit cards, credit cards, or other third-party paying entities (if desired).
- 7.18.37 The system must provide the ability to void a transaction, process refunds and/or credit certificates and/or returned payments within one year of the original payment date for any tax, penalty, or fee that is overpaid or incorrectly collected, service that has not been rendered, or permit that has not been used based on defined business rules by those with user access rights.
- 7.18.38 The system must allow users to select and track the type of refund being processed and a reason for the refund.
- 7.18.39 The system must provide the ability to automatically inactivate the transaction being refunded, at the discretion of the user. Some refunds will need to void the original transaction, and some will not change the original transaction.
- 7.18.40 The system must provide the ability to submit multiple refund requests as a batch file.
- 7.18.41 The system must provide the capability to automatically or manually cancel a transaction and/or automatically generate a letter to the customer, for transactions whose payments have been returned for non-sufficient funds (NSF). In addition, the system must provide the ability to credit funds back to the appropriate accounts, including, but not limited to the taxing unit where the amounts were originally paid.

- 7.18.42 The system must provide the ability to alert customers through their preferred method of correspondence that an outstanding or overdue payment is owed.
- 7.18.43 The system must provide the ability to perform daily open and close functions by cash drawer.
- 7.18.44 The system must generate a deposit slip including itemized checks and total cash amount. Optionally, based on defined business rules for each location, the deposit slip can show different transaction types and amounts.
- 7.18.45 The system must provide an end of business day money settlement, reconciliation, and distribution process. The system must provide the ability to reconcile daily money transactions via multiple methods such as the ability for each cashier to display all transactions they processed for that business day or the ability to display all transactions with the same dollar amount or by transaction type.
- 7.18.46 The system must provide the ability to record a transaction to a business day different from the system date with proper authorization.
- 7.18.47 The system must provide the ability to record each deposit based on various factors such as drawer, day, amount, time, institution, or deposit number.
- 7.18.48 The system must be able to but not limited to process multiple deposits at any time of the day.
- 7.18.49 The system must enable cash drawers to consolidate their financial records up to the department level, and department level to the office level, etc. (if needed).
- 7.18.50 The system must provide the ability to split all financial transactions to different accounts based on defined business rules.
- 7.18.51 The system must provide the ability to adjust journal entries, select adjustment reasons, and enter comments relating to the adjustment entry with the ability to record the User ID of the person making the adjustment. The list of adjustment reasons must be configurable. The user must be required to select an adjustment reason.
- 7.18.52 The system must provide the ability to recognize and classify revenue from various sources and proper fiscal period and accounts.



- 7.18.53 The system must allow authorized users to update revenue distribution rules based on statutory changes.
- 7.18.54 The system must provide the ability to schedule reoccurring time periods for when funds are distributed. Certain funds may be distributed monthly, weekly, daily, etc.
- 7.18.55 The system must provide the ability to collect data to support revenue forecasting and budget resource decisions, as well as historical review reporting.
- 7.18.56 The system must provide the ability to print and reprint standard and ad hoc accounting reports based on users access rights.
- 7.18.57 The system must provide the ability to sort, extract and aggregate accounting reports using criteria such as but not limited to office location, business date, terminal ID, operator, cashier drawer, inventory issued, payment types, date ranges, zip codes and transaction types by any user specified daily, monthly and yearly (fiscal or calendar) timeframes.
- 7.18.58 The system must provide the ability to generate periodic and ad hoc statistical reports such as but not limited to:
  - Number of transactions, including by transaction type
  - Number of vehicles registered
  - Number of each type of transaction by location
  - Number of each type of vehicle registered
  - Number of vehicles by taxing districts
  - Taxing districts by county
  - Special Tag Registration Fees
  - Mail Fees
- 7.19 Inventory Management concerns services involving the ordering, tracking, and distribution of accountable inventory items such as but not limited to license plates, decals, titles and controlled forms, and each area's non-accountable inventory items.
- 7.20 The system must be capable of storing, retrieving, and viewing images that will be scanned through MDOR's existing front end imaging system. Examples of these documents include, but are not limited to, proof of bond, financial information, and other documents required to be stored by the Motor Vehicle Division.
- 7.21 The system must provide the ability to allow real-time and batch interfaces for multiple internal department and other state agency systems.

- 7.22 The system must provide common services including those system components that are cross-functional and thus are shared by all modules. These include:
- Common Customer Information Management
  - Customer Web Portal
  - Work Management and Work-in-Progress
  - Fee Management
  - Imaging & Document Management Integration
  - Data Warehouse, Reporting and Analytics
  - Correspondence Management
- 7.23 The system must provide the ability for remote monitoring and administration of all applications.
- 7.24 The system must provide audit trails and reports that identify who accessed (or failed authentication to) the system, time of login, duration of time on the system, and transactions/actions performed by a user. Audit history must be maintained for a pre-defined period of time. It must be a complete log and not just the last action taken by a user.
- 7.24.1 The system must provide the ability to track changes made to pre-determined data on the system, the dates, and User ID who worked on a transaction and what pre-determined fields were modified.
- 7.24.2 The system must maintain detailed audit trails when any form of tender is received, disbursed, or refunded or any controlled stock item is issued. At a minimum, the audit trail will include the identifier of the user performing the transaction, the nature, data, and time of the transaction, and the location where the transaction took place.
- 7.24.3 The system must maintain an audit trail of all transactions, including inquiries for pre-determined records, performed by contracted third parties.
- 7.25 If any component(s) necessary for operation of the requested system is omitted from Vendor's proposal, Vendor must be willing to provide the component(s) at no additional cost. This includes, but is not limited to, all cabling, connectors, raceway, etc. necessary to render the configuration fully operational. THIS LIST NEEDS TO BE CUSTOMIZED, BASED ON WHAT IS BEING PURCHASED.

## 8. Technical Requirements

The State's objectives for this project include the implementation of Commercial Off-The Shelf (COTS) approach to this procurement, placing strong emphasis on acquiring a field-proven, mature product with a good client base from an experienced vendor.

- 8.1 The proposed solution should be as close to the COTS package as possible with little or no customization required to meet the requirements of this RFP. The state understands and anticipates that they will be required to modify some of their existing business practices (business process re-engineering) for this to be accomplished.
- 8.2 While a mature, field-proven product is being sought, MDOR requires a system that is not at the end of its product life cycle and that reflects the best practices of the industry. Additionally, the technology platform (e.g., database engine, operating platform, etc.) for the proposed product must not be at the end of its lifecycle.
- 8.3 The Vendor must provide all software components and implementation services (e.g., data conversion, customization, installation, integration, training, support and other services) with sufficient knowledge transfer to State personnel as necessary for a successful implementation of the proposed solution.
- 8.4 The vendor is requested to provide details on what features, functions or other considerations of the specific requirements either his company or the proposed solution afford the State that may provide a distinct value to MDOR. In the event that the State agrees such features, functions and other considerations do provide a distinct benefit, the State reserves the right to give the Vendor additional consideration.
- 8.5 The Vendor must understand and provide information in his response to support a deliverables-based project. The proposed preliminary Project Plan should identify milestones and deliverables, both paid and unpaid, for the entirety of the project.
- 8.6 The State is seeking a solution that is intuitive in nature (user friendly) and that utilizes the best technical practices of the Information Technology industry.
- 8.7 While every attempt has been made to define all the requirements necessary for the successful implementation of this Legacy System Replacement, the State acknowledges that the specifications for the system requested by the RFP may not be exhaustive. Rather, these specifications reflect the known requirements for MDOR to have a fully functional, efficient system. The State expects the Vendor to identify and describe in detail areas that may have been overlooked or misstated.
- 8.8 If any component(s) necessary for operation of the requested system is omitted from Vendor's proposal, Vendor must be willing to provide the component(s) at no additional cost.
- 8.9 MDOR intends to be fully involved in all aspects of the project and will assign a project manager and appropriate QA/oversight personnel. MDOR functional and technical staff will be fully involved as members of the project

team and knowledge transfer will be a key element/requirement of this proposal.

- 8.10 The Vendor is expected to make all project records accessible during the duration of the project and for up to three years after the project completion.
- 8.11 All findings, designs, documentation and other deliverables produced under this contract become the exclusive property of the State for use without restriction.
- 8.12 The Vendor must provide an onsite full-time project manager, with requisite experience, skills and decision making authority, to perform work associated with this project at MDOR facilities currently located in Clinton, Mississippi, unless approved by MDOR.
- 8.13 For work being performed onsite, the State will provide limited office workspace and communications necessary for implementation in the State Data Center. MDOR must provide appropriate equipment for the staff assigned. If the Vendor chooses to utilize their own equipment, such equipment must adhere to the MDOR network standards. Onsite project work may be performed within business hours of 7:00 a.m. until 6:00 p.m. Central Time. Meetings with the State must be limited to the core business hours of 8:00 a.m. to 5:00 p.m. Central Time unless an exception is granted. Vendor staff must be available to work outside of regular business hours as needed.
- 8.14 MDOR requires the Vendor to have staff onsite during various stages of the project including, but not limited to, implementation, training, technical knowledge transfer, user acceptance testing and system go-live. The Vendor must fully discuss this approach and percentage of commitment of staff and time onsite versus offsite for the duration of the project.
- 8.15 The proposed solution must meet the following minimum qualifications to be considered a valid response.
- 8.16 **MANDATORY:** Must be a COTS product, not in beta or test and currently in production in North America (U.S. or Canada). Proposals which propose new software development solutions will be considered non-responsive.
- 8.17 **MANDATORY:** Vendor must list a minimum of two (2) states that have the proposed product in use in a production environment as proposed. All proposed modules of the application(s) must be in current mainstream production and immediately available.
- 8.18 **MANDATORY:** Vendor solution must be NMVTIS Compliant.
- 8.19 Additional consideration will be given to Vendors who identify Customers/Sites with implementation of systems that already have interfaces with the following:
  - Print on Demand Vendor

- NCIC/NLETS
  - Dealer Software (e.g. ADP, Reynolds & Reynolds, Frazier and others)
  - Title Pledge Lender Software (e.g. eSoftware Solutions and others)
  - Full-Service USPS
- 8.20 Must be built with non-proprietary software and hardware tools found commonly throughout the IT Industry.
- 8.21 Must be easily and fully configurable to fit MDOR business processes without requiring major modifications to the underlying source code.
- 8.22 Must be generically and universally upgraded as a result of natural product evolution, not as a result of unique, case-by-case programming changes. The agency expects that it will continually benefit from generic product upgrades that are fully supported by any manufacturer whose software is utilized in this system.
- 8.23 The proposed solution must be supported by a relational database.
- 8.24 **MANDATORY:** The proposed system must be fully implemented within 18 months from the date of contract execution.
- 8.25 The State expects the winning Vendor to implement every requirement identified by the State.

## 9. Interface Requirements

- 9.1 The proposed solution must provide interfaces into the following MDOR systems:
- 9.1.1 Mississippi Automated Revenue System (MARS) – MDOR's integrated tax system that is comprised of all taxes.
  - 9.1.2 Mississippi Document Archive (MDA) – MDOR's image storage and retrieval system. Images that have been scanned, prior to the implementation of the new system are indexed and stored in MDA and will need to be made available for viewing within the new system as required.
- 9.2 The proposed solution must provide interfaces with the following, but not limited to, external systems:
- 9.2.1 NMVTIS (National Motor Vehicle Titling Information System)
  - 9.2.2 Print on Demand Vendor
  - 9.2.3 NCIC (National Crime Information Center)
  - 9.2.4 NLETS (National Law Enforcement Telecommunications System)

- 9.2.5 Waldale Manufacturing LTD
- 9.2.6 Race Plates, LLC (NASCAR)
- 9.2.7 Dealer Software (e.g. ADP, Reynolds & Reynolds, Frazier and others)
- 9.2.8 Title Pledge Lender Software (e.g. eSoftware Solutions and others)
- 9.2.9 MVIVS (Mississippi Vehicle Insurance Verification System)
- 9.2.10 County Office Computer Systems throughout the State of MS ( In house contractors, Delta Computer Systems Inc., Data Management Solutions Inc., Three Rivers Planning & Development District and others)
- 9.3 The system must provide the ability to allow real-time and batch interfaces for multiple internal Department and Non-Department State agency systems.

#### **10. Infrastructure/Hosting Requirements**

- 10.1 MDOR expects Vendors to leverage the technical platform and software tools within the current State Data Center environment to the fullest extent possible to provide the best possible value for the State. The Vendor must list all available platforms on which the proposed solution can successfully function.
- 10.2 To obtain information on the technical environment available at the State Data Center and the Statewide network infrastructure, Vendors may review The State of Mississippi Technology Infrastructure and Architecture Plan at the following URL:  
  
[http://www.its.ms.gov/Documents/technology\\_infrastructure\\_and\\_architecture\\_plan.pdf](http://www.its.ms.gov/Documents/technology_infrastructure_and_architecture_plan.pdf)
- 10.3 Vendor must describe how the implementation of the proposed software solution will leverage the State's existing Data Center Infrastructure. This discussion should include system architecture alternatives, proposed platforms and recommendations.
- 10.4 The Vendor must propose all costs associated with this solution in Section VIII, Cost Information Submission.
- 10.5 The Vendor's proposed solution for hosting the system in the State Data Center must address the following:
  - 10.5.1 Vendor must assess the hardware, software and tools currently being utilized in the State Data Center and formulate within the proposal, a full list of any additional hardware, system software, methodologies and tools required as prerequisites for the State to

host the application and to successfully complete this project, including appropriate licensing.

- 10.5.2 The Vendor proposal must provide detailed hardware description, specifications and capacities for the successful implementation of the proposed solution with full functioning (1) development, (2) quality assurance, (3) production and (4) training environments (including disk storage configuration, memory requirements, networked interface, tape backup and any other system components required). Vendor must specify hardware configurations that are not brand specific and must include detailed cost for all hardware identified.
- 10.5.3 The Vendor proposal must include preliminary recommendations regarding any additional hardware or upgrades to existing hardware/software required to implement the proposed solution at the State's Data Center. Vendor must provide detailed justification of these recommendations including hardware specifications and required capacities.
- 10.5.4 Proposed hardware must be able to support the proposed solution and anticipated growth for 3 to 5 years post-implementation. Proposal recommendations must utilize and include a description of the Vendor's standard growth estimate model.
- 10.6 The State reserves the right to purchase necessary software, hardware, and/or tools via methods most advantageous to the State. Regardless of which purchase method is exercised, the awarded Vendor must be willing to integrate the acquisition and implementation of such products within the project schedule and system under contract and must work with the State's selected supplier(s) to ensure a successful implementation of the proposed solution.
- 10.7 During the initial project phases, the Vendor will be required to prepare a deliverable with a detailed recommendation for hardware and software.

## **11. Product Information**

- 11.1 Vendor must describe the proposed software solution including the name of the product line, individual module names and version of the proposed software. Vendor must illustrate the history of the proposed software from its initial development and implementation through whatever evolution has occurred. Please list the names that the product carried together with its licensors over time.
- 11.2 Vendor must specify whether the product was developed in-house or was acquired by merger or acquisition with another company.

- 11.3 Vendor must specify which components of the proposed product were not developed in-house and the name of the company responsible for developing these modules, if applicable.
- 11.4 Vendor must specify the number of employees that were on the initial development team and how many are still employed by the Vendor and whether they are still dedicated to the product support/enhancement.
- 11.5 Vendor must specify the number of full time employees dedicated to the proposed product as well as how many individuals fill each role with the proposed product (e.g. sales, training, deployment, developer/product upgrades, etc.)
- 11.6 Vendor must outline in detail the 5-year plan for the proposed product.
- 11.7 **MANDATORY:** Vendor should include a statement certifying that the product is not at the end of its life cycle and providing their long range plan for the product. The State requires that the Vendor specify a minimum number of years during which the product will be supported, enhanced, maintained and marketed. Products lacking a sufficient support period may be subject to disqualification at the sole discretion of the State.
- 11.8 Vendor must provide details of the current enhancements being planned for future releases of the proposed product and the estimated target dates of availability.
- 11.9 Vendor must provide the date and location of proposed system's first successful implementation and whether that product is still in use at the site.
- 11.10 Vendor must provide the average number of annual upgrades released for the product in the last 3 years.
- 11.11 Vendor must specify the method(s) available for distributing updates/upgrades.
- 11.12 Vendor must define how long prior releases are typically supported and describe their methodology for encouraging customer sites to stay current on upgrades.
- 11.13 Vendor must describe the current QA/testing methodology/process for software updates before releasing to the client.
- 11.14 Vendor must describe current procedures for ensuring that adequate support staff is available to assist customer sites during required updates.
- 11.15 Vendor must specify the number of clients currently using the proposed product in a production environment, including how many are using each specific version of the product, as well as the number of "implementation in progress" clients for the proposed product. Vendor is expected to provide an active client list to prove the product's presence in the market.



- 11.16 Vendor must describe the method followed for licensing the proposed software (e.g. by workstation, concurrent number of users, site/enterprise license, pricing tiers, etc.).
- 11.17 Vendor must explain the process for incorporating user suggestions for software enhancements into updates.
- 11.18 If the proposed product has an active user group:
  - 11.18.1 Vendor must specify the frequency of user group meetings and the total number of attendees at the most recent user group meeting;
  - 11.18.2 Vendor must provide the user group officer contact information;
  - 11.18.3 Vendor must describe how the user group operates; and
  - 11.18.4 Vendor must identify the benefits of joining the user group.

## **12. Project Plan**

- 12.1 As part of their proposal, the State is relying on the Vendor to recommend a work plan, implementation schedule, and an expedient, economical approach that is advantageous to the State.
- 12.2 The State strongly desires that the Vendor propose an implementation plan that provides the best opportunity for MDOR to assume operational competency with the new system without imposing an unacceptable burden to the State.
- 12.3 For this proposal, the Vendor must submit a proposed preliminary Project Work Plan including activities, tasks, proposed personnel, estimated hours for each task, timeframes for each project task, assigned resources by name and/or title, major project milestones, quality assurance checkpoints and all scheduled deliverables with targeted start and end dates.
- 12.4 Within the proposed plan, Vendor must clearly define State resource requirements and the skill levels required for each specified State resource. This work plan should include all phases of implementation (e.g. data conversion, customization/configuration, installation, testing and go-live). This proposed work plan should include specific tasks in terms of months, weeks or days from contract signing.
- 12.5 Upon project award, the Vendor and MDOR will jointly modify the proposed work plan to develop a mutually agreed upon project work plan within the first 30 calendar days of project initiation. The state expects the Vendor to work with the State's appointed project manager to ensure effective project management of this plan during all phases.

- 12.6 Vendor should be aware that payments for this project will be made on a deliverables-based schedule, upon State acceptance of the agreed upon deliverables/milestones. The State requires that deliverables be tied to significant project milestones.
- 12.7 The project work plan must allow reasonable time for the State to review and approve task completion deliverables, without interrupting the Vendor's continuing progress toward completion of the project. A minimum of 10 working days will be required for the review and approval of each written deliverable.
- 12.8 The project work plan must be structured so as to minimize disruption and interference with the State's daily operations.

**13. Vendor Services**

- 13.1 The awarded Vendor will perform software installation tasks as applicable including but not limited to database setup, file sizing, software retrofitting, installation of software releases, application table setup, file migrations, installation tests, system integration tests, stress testing, functional verification and performance testing.
- 13.2 The awarded Vendor must provide recommendations for organizational change and Business Process Reengineering (BPR) to the State to promote the success of the proposed system implementation. Vendor is not expected to manage the organization change/BPR process, but to provide MDOR with the tools, experience, objectivity and support as they move to implement more expeditious methods and practices for performing their business functions utilizing the new system. Vendor should describe their approach to providing organizational change/BPR services under these conditions.

**14. Conversion Services**

- 14.1 Awarded Vendor must provide services to convert legacy data from existing systems and include line item pricing for these services in the Section VIII, Cost Information Submission.
- 14.2 Conversion must be considered an iterative process.
- 14.3 Conversion must consist of the "initial import" and scrubbing and massaging of information from the various data sources, some of which are identified within this RFP. The awarded Vendor must perform the analysis necessary to assess the conversion requirements for data from the current legacy system(s) into the proposed solution.
- 14.4 As part of the proposal, Vendor must provide a preliminary Data Conversion plan for the proposed solution.
  - 14.4.1 The preliminary Data Conversion Plan must clearly identify in detail the responsibility of the Vendor and the State in regards to

all steps, tasks, activities, events, milestones and resources necessary for the conversion process.

- 14.4.2 After award, the Vendor must work with the State to finalize and implement the Data Conversion Plan.
- 14.5 Awarded Vendor must provide conversion services including, but not limited to: establishing a conversion plan, including techniques and associated tools used to track, document and manage conversion issues; performing data mapping; developing, testing and executing conversion programs/scripts; loading testing databases as necessary; and etc.
- 14.6 After analysis, the awarded Vendor must identify all data needed in the database for a successful implementation that is not available electronically in the State's system(s) and/or via other resources. For the proposal, the Vendor must provide an hourly rate for data entry services to enter identified data. These costs must be listed as a separate line item in the Section VIII, Cost Information Submission. Utilizing these data entry services is at the sole discretion of the State.
- 14.7 Awarded Vendor must perform quality assurance tasks to verify the data has been converted correctly and that the processes accessing the converted data function as expected when the proposed solution is fully operational.
- 14.8 Awarded Vendor must identify the need for any value translation tables required for data conversion.
- 14.9 Awarded Vendor must provide the conversion methodology used to ensure all necessary data was converted/imported (e.g., hash totals, etc.) correctly.
- 14.10 Awarded Vendor must provide record layout for import files necessary for successful conversion.
  - 14.10.1 The State reserves the right to export the data from the current applications used in the file format requested by the Vendor depending on the availability of resources.
- 14.11 Awarded Vendor must perform any import tasks associated with converting the data from legacy systems and ensure the successful population of all data elements associated with the data. Alternately, the State may choose to provide the data for conversion from legacy systems to the Vendor in Vendor-requested format.
- 14.12 Awarded Vendor must verify the data conversion into the new system was accomplished successfully by insuring the loaded data populated the correct tables, appropriate fields, etc. and that the data information is intact.
- 14.13 For the proposal, Vendor must specify the number of successful project data conversions the Vendor has completed.

- 14.14 Vendor agrees that all data converted and entered into the system, either before or after go-live, is solely owned by the State.

**15. Customization Services**

- 15.1 Vendor must provide customization services if the base code must be modified to accommodate MDOR's business needs.
- 15.2 **MANDATORY:** Vendor must provide to MDOR all components for any customization performed throughout the duration of the system implementation. This includes, but is not limited to:
- 15.2.1 Code for customizations;
  - 15.2.2 Documentation explaining how the customization works as well as any change in base functionality resulting from implementation of the customization;
  - 15.2.3 All products, tools, system code, scripts required to compile code or generate scripts; and
  - 15.2.4 All developed scripts and any other components required to utilize and support the entire system including customization.
- 15.3 Vendor must provide the State the option of retaining comprehensive Vendor support for any customizations performed. These costs must be listed as a separate line item in the Section VIII, Cost Summary Information.
- 15.4 Vendor must fully describe how customized code/modules will be affected by new releases, upgrades and patches and whether the code will have to be retrofitted to keep the Mississippi system in sync with the base module.

**16. Integration Services**

- 16.1 The Vendor's proposal must include the analysis, design, development, testing and implementation services for all import/export functionality and processes, including data structures, to allow for the successful implementation of the new system for MDOR.
- 16.2 At the State's discretion, exports from current legacy programs and imports to current legacy programs will be developed and executed by MDOR staff based upon the data structures created by the Vendor. Vendor should provide a line item cost for developing the interfaces to each of the current legacy programs based on the information contained within this RFP. These costs must be listed in the Section VIII, Cost Information Submission.
- 16.3 The imports/exports referenced above may be those defined within these requirements, as well as those identified during the analysis phase of the project as defined in the Section VII, Technical Specifications Item 9, Interface Requirements.

- 16.4 The Vendor must include in their proposal a plan for working with the MDOR to define how the proposed solution will be integrated with other systems as identified in Section VII, Technical Specifications Item 9, Interface Requirements.
- 16.5 For informational purposes, Vendor must explain how the proposed application interfaces with electronic signature functionality.
- 17. **Documentation**
  - 17.1 Vendor may provide “cheat sheets” on the basic functionality of the application for user training.
  - 17.2 Vendor must provide “end-user” and technical documentation on each module of the proposed solution.
- 18. **Training**
  - 18.1 Awarded Vendor must provide all training required for the successful operation and internal support of the proposed solution.
    - 18.1.1 All training must be customized and address the proposed solution as it pertains to the needs of the State of Mississippi.
    - 18.1.2 Vendor must provide onsite train-the-trainer training sessions for up to 225 users. MDOR training facilities are available.
    - 18.1.3 The Vendor must provide a customized training curriculum for future use by the State’s trainers.
    - 18.1.4 Vendor must provide onsite technical support staff training. Training must include, at a minimum: how to create additional customization; how to create triggers and/or alarms; how to archive records and retrieve records from archive; system security; configuration and administration of system tables and parameters; how to develop and modify reports; and training on any additional software necessary for successful implementation and support of the proposed solution.
    - 18.1.5 Training must include media based, hands-on experience and instructor-led delivery modes.
    - 18.1.6 Training must be provided onsite at a facility provided by the State.
  - 18.2 Vendor must provide separate detailed cost information in Section VIII, Cost Information Submission, for each different type of training proposed, requested and/or required.

- 18.3      Awarded Vendor must provide any and all training materials and documentation necessary for the successful delivery of the training sessions. Training materials and documentation should be delivered to the State on electronic media (CD ROM) that is search enabled.
- 18.4      All training materials and documentation are considered deliverables and must be submitted to the State with adequate time for the State to review and approve all such material prior to the beginning of the actual training.
- 18.5      The State must be allowed to reproduce and/or edit, as needed and without incurring any additional cost, any training material provided, including electronic or printed form. This reproduction of training materials will be for the sole purpose of this project.
- 18.6      The State will determine when training is sufficient for successful systems operations based on staff's ability to operate the system following User Acceptance Test (UAT) systems training. If, after initial training session is completed, the State and Vendor determine that additional training is needed, the Vendor will be required to provide such additional training at no additional cost to the State.
- 18.7      If there are system changes, upgrades, enhancements, or new releases to the software that require additional training, Vendor must provide the additional training needed for the successful operation of the software.
- 18.8      At the request of the State, Vendor must provide additional training sessions. The cost for such additional sessions should be outlined as an hourly rate and a per session rate in the Section VIII, Cost Information Submission.
- 18.9      Vendor must include in the proposal a description of the training provided new releases or upgrades to the system.
- 18.10     Vendor must provide "end-user" and technical documentation on each module of the proposed solution.
- 19.      **Additional Requirements**
  - 19.1      **ITS** acknowledges that the specifications within this RFP are not exhaustive. Rather, they reflect the known requirements that must be met by the proposed system. Vendors must specify, here, what additional components may be needed and are proposed in order to complete each configuration.
  - 19.2      The Vendor must escrow the proposed solution.
    - 19.2.1     The Vendor must sign on to the ITS/NCC Group Three Party Escrow Agreement and maintain a current copy of the data dictionary, Documentation, object code, and source code in escrow. The escrow agreement shall authorize the NCC Group to release, at no cost to DOR, the data dictionary, Documentation,

object code, and source code to DOR if and when DOR is deemed to have a right.

- 19.2.2 DOR shall pay all costs of providing and maintaining the escrow agreement, including the fees of the NCC Group. Please refer to Article 49, Escrow of Source Code in Exhibit A, *Standard Contract*, and Exhibit B, *Three Party Escrow Agreement*, for more information.

## 20. Scoring Methodology

- 20.1 An Evaluation Team composed of DOR and **ITS** staff will review and evaluate all proposals. All information provided by the Vendors, as well as any other information available to evaluation team, will be used to evaluate the proposals.

- 20.1.1 Each category included in the scoring mechanism is assigned a weight between one and 100.

- 20.1.2 The sum of all categories, other than Value-Add, equals 100 possible points.

- 20.1.3 Value-Add is defined as product(s) or service(s), exclusive of the stated functional and technical requirements and provided to the State at no additional charge, which, in the sole judgment of the State, provide both benefit and value to the State significant enough to distinguish the proposal and merit the award of additional points. A Value-Add rating between 0 and 5 may be assigned based on the assessment of the evaluation team. These points will be added to the total score.

- 20.1.4 For the evaluation of this RFP, the Evaluation Team will use the following categories and possible points:

Category	Possible Points
Non-Cost Categories:	
Functional Requirements	10
Technical Requirements	10
Product Information	5
Project Plan	5
Vendor Qualifications	5
Training	5
Total Non-Cost Points	40
Cost	60
Total Base Points	100
Value Add	5
<b>Maximum Possible Points</b>	<b>105</b>

20.2 The evaluation will be conducted in four stages as follows:

20.2.1 Stage 1 – Selection of Responsive/Valid Proposals – Each proposal will be reviewed to determine if it is sufficiently responsive to the RFP requirements to permit a complete evaluation. A responsive proposal must comply with the instructions stated in this RFP with regard to content, organization/format, Vendor experience, number of copies, bond requirement, timely delivery, and must be responsive to all mandatory requirements. No evaluation points will be awarded in this stage. Failure to submit a complete proposal may result in rejection of the proposal.

20.2.2 Stage 2 – Non-cost Evaluation (all requirements excluding cost)

20.2.2.1 Non-cost categories and possible point values are as follows:

<b>Non-Cost Categories</b>	<b>Possible Points</b>
Functional Requirements	10
Technical Requirements	10
Product Information	5
Project Plan	5
Vendor Qualifications	5
Training	5
<b>Maximum Possible Points</b>	<b>40</b>

20.2.2.2 Proposals meeting fewer than 80% of the requirements in the non-cost categories may be eliminated from further consideration.

20.2.2.3 **ITS** scores the non-cost categories on a 10-point scale, with 9 points for meeting the requirement. The 'Meets Specs' score for each category is 90% of the total points allocated for that category. For example, the 'Functional Requirements' category was allocated 10 points; a proposal that fully met all requirements in that section would have scored 9 points. The additional 10% is used for a proposal that exceeds the requirement for an item in a way that provides additional benefits to the state.

20.2.3 Stage 3 – Cost Evaluation

20.2.3.1 Points will be assigned using the following formula:

$$(1-((B-A)/A))^n$$



Where:

A = Total lifecycle cost of lowest valid proposal

B = Total lifecycle cost of proposal being scored

n = Maximum number of points allocated to cost for acquisition

20.2.3.2 Cost categories and maximum point values are as follows:

<b>Cost Category</b>	<b>Possible Points</b>
Lifecycle Cost	60
<b>Maximum Possible Points</b>	<b>60</b>

20.2.4 Stage 4 – Selection of the successful Vendor

20.2.4.1 On-site Demonstrations and Interviews

20.2.4.1.1 At the discretion of the State, evaluators may request interviews, on-site presentations, demonstrations or discussions with any and all Vendors for the purpose of system overview and/or clarification or amplification of information presented in any part of the proposal.

20.2.4.1.2 If requested, Vendors must be prepared to make on-site demonstrations of system functionality and/or proposal clarifications to the evaluation team and its affiliates within seven calendar days of notification. Each presentation must be made by the project manager being proposed by the Vendor to oversee implementation of this project.

20.2.4.1.3 Proposed key team members must be present at the on-site demonstration. The evaluation team reserves the right to interview the proposed key team members during this onsite visit.

20.2.4.1.4 Although on-site demonstrations may be requested, the demonstration will not be allowed in lieu of a written proposal.

20.2.4.2 Site Visits

20.2.4.2.1 At the State's option, Vendors that remain within a competitive range must be prepared to provide a reference site within seven calendar days of notification. If possible, the reference site should be in the Southeastern region of the United States. Vendor must list potential reference sites in the proposal.

20.3 Final Quantitative Evaluation - Following any requested presentations, demonstrations, and/or site visits, the Evaluation Team will re-evaluate any technical/functional scores as necessary. The technical/functional and cost scores will then be combined to determine the Vendor's final score.

## **SECTION VIII COST INFORMATION SUBMISSION**

Vendors must propose a summary of all applicable project costs in the matrix that follows. The matrix must be supplemented by a cost itemization fully detailing the basis of each cost category. The level of detail must address the following elements as applicable: item, description, quantity, retail, discount, extension, and deliverable. Any cost not listed in this section may result in the Vendor providing those products or services at no charge to the State or face disqualification.

1. Vendor must propose all costs for a turnkey solution, including software licenses, hardware, installation, implementation/configuration and training. Vendor must also provide cost of warranty, maintenance/support and other ongoing costs as directed.
2. Vendor must identify all expected payment deliverables in the project work plan as described in the project work plan as described in Section VII, Item 12, Project Plan.
3. Vendor should be aware that the State will pay by deliverable/milestone for this project as invoiced according to the project work plan, subject to 15% retainage per deliverable. Retainage will be released in a lump sum upon final acceptance of the proposed solution.
4. Vendor must quote a fully loaded and a non-loaded hourly change order rate for enhancements that MDOR may request after initial system implementation. A "fully loaded" hourly rate means an hourly rate that includes any additional expenses such as travel and per diem. A non-loaded hourly rate means an hourly rate that does not include any additional expenses such as travel and per diem. Expenses associated with a non-loaded rate will be reimbursed as they occur, but must not exceed the guidelines established by the Mississippi Department of Finance and Administration (DFA). For additional information concerning these guidelines, please refer to the following link:

<http://www.dfa.ms.gov/Purchasing/Travel/TravelManual.pdf>

5. Vendor must propose a summary of all applicable project costs that must be supplemented by a cost itemization fully detailing the basis of each cost category. The level of detail must address the following elements as applicable: item, description, quantity, retail, discount, extension and deliverable. Any cost not listed in this section may result in the Vendor providing those products or services at no charge to the State or face disqualification.

Category	Quantity	Unit Cost	Amount Due	Retainage (15%)	Amount of Payment
<b>One-time Costs:</b>					
1. Implementation/setup including minor customizations		\$	\$	\$	\$
2. Training (specify options and differentiate between internal user training and Administrator training):					
Internal User Training (specify number of students per option) many?)		\$	\$	\$	\$
Administrator Training (x?)		\$	\$	\$	\$
3. Professional Services (Custom Enhancements)		\$	\$	\$	\$
4. Professional Services (Other – please specify)		\$	\$	\$	\$
5. Conversion		\$	\$	\$	\$
6. Hardware		\$	\$	\$	\$
7. Other (please specify)		\$	\$	\$	\$
<b>Total Initial Cost (Items 1-7)</b>			\$	\$	\$
<b>Annual Costs:</b>					
Annual Maintenance					
Year 1		\$	\$		\$
Year 2		\$	\$		\$

Year 3		\$	\$		\$
Year 4		\$	\$		\$
Year 5		\$	\$		\$
Other (please specify)		\$	\$		\$
<b>Total Annual On-going Cost</b>		\$	\$		\$
Performance Bond		\$	\$		\$
<b>Optional Cost:</b> (please specify)					

## SECTION IX REFERENCES

Please return the following Reference Forms, and if applicable, Subcontractor Reference Forms.

### 1. References

- 1.1 The Vendor must provide at least 3 references consisting of Vendor accounts that the State may contact. Required information includes customer contact name, address, telephone number, email address, and engagement starting and ending dates. Forms for providing reference information are included later in this RFP section. The Vendor must make arrangements in advance with the account references so that they may be contacted at the Project team's convenience without further clearance or Vendor intercession.
- 1.2 Any of the following may subject the Vendor's proposal to being rated unfavorably relative to these criteria or removed from further consideration, at the State's sole discretion:
  - 1.2.1 Failure to provide reference information in the manner described;
  - 1.2.2 Inability of the State to substantiate minimum experience or other requirements from the references provided;
  - 1.2.3 Non-responsiveness of references to the State's attempts to contact them; or
  - 1.2.4 Unfavorable references that raise serious concerns about material risks to the State in contracting with the Vendor for the proposed products or services.
- 1.3 References should be based on the following profiles and be able to substantiate the following information from both management and technical viewpoints:
  - 1.3.1 **MANDATORY** - As previously stated, Vendor must have similar programs currently running in production mode in at least two other states. Production means the feature or service is being used by the user community to run their business operations to manage motor vehicles. Vendor must provide reference information identifying which references are being used to satisfy this requirement.
  - 1.3.2 The reference installation must be for a project similar in scope and size to the project for which this RFP is issued.
  - 1.3.3 The reference installation must have been operational for at least six (6) months.

- 1.4 The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, including the procuring agency and/or other agencies or institutions of the State, even if that customer is not included in the Vendor's list of references, and to utilize such information in the evaluation of the Vendor's proposal.
- 1.5 Unless otherwise indicated in the Scoring Methodology in Section VII, reference information available to the State will be used as follows:
  - 1.5.1 As documentation supporting mandatory experience requirements for companies, products, and/or individuals, as required in this RFP;
  - 1.5.2 To confirm the capabilities and quality of a Vendor, product, or individual for the proposal deemed lowest and best, prior to finalizing the award.
- 1.6 The State reserves the right to forego reference checking when, at the State's sole discretion, the evaluation team determines that the capabilities of the recommended Vendor are known to the State.

## **2. Subcontractors**

The Vendor's proposal must identify any subcontractor that will be used and include the name of the company, telephone number, contact person, type of work subcontractor will perform, number of certified employees to perform said work, and three (3) references for whom the subcontractor has performed work that the State may contact. Forms for providing subcontractor information and references are included at the end of this section.

Unless otherwise noted, the requirements found in the References section may be met through a combination of Vendor and subcontractor references and experience. Vendor's proposal should clearly indicate any mandatory experience requirements met by subcontractors. NOTE: The State reserves the right to eliminate from further consideration proposals in which the prime Vendor does not, in the State's sole opinion, provide substantive value or investment in the total solution proposed. (i.e. the State does not typically accept proposals in which the prime Vendor is only a brokering agent.)

## REFERENCE FORM

### Complete 3 Reference Forms.

Contact Name:

Company Name:

Address:

Phone #:

E-Mail:

Project Start Date:

Project End Date:

Description of product/services/project, including start and end dates:

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## **SUBCONTRACTOR REFERENCE FORM**

**Complete a separate form for each subcontractor proposed.**

Contact Name:  
Company name:  
Address:  
Phone #:  
E-Mail:

Scope of services/products to be provided by subcontractor:

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**Complete three (3) Reference Forms for each Subcontractor.**

Contact Name:  
Company name:  
Address:  
Phone #:  
E-Mail:  
Description of product/services/project, including start and end dates:

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**EXHIBIT A  
STANDARD CONTRACT**

A properly executed contract is a requirement of this RFP. After an award has been made, it will be necessary for the winning Vendor to execute a contract with **ITS**. The inclusion of this contract does not preclude **ITS** from, at its sole discretion, negotiating additional terms and conditions with the selected Vendor(s) specific to the projects covered by this RFP.

If Vendor cannot comply with any term or condition of this Standard Contract, Vendor must list and explain each specific exception on the *Proposal Exception Summary Form* included in Section V.

**PROJECT NUMBER 42048  
TURNKEY AGREEMENT  
BETWEEN  
INSERT VENDOR NAME  
AND  
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES  
AS CONTRACTING AGENT FOR THE  
MISSISSIPPI DEPARTMENT OF REVENUE**

This Turnkey Agreement (hereinafter referred to as "Agreement") is entered into by and between **INSERT VENDOR NAME**, a **INSERT STATE OF INCORPORATION** corporation having its principal place of business at **INSERT VENDOR STREET ADDRESS** (hereinafter referred to as "Seller"), and Mississippi Department of Information Technology Services having its principal place of business at 3771 Eastwood Drive, Jackson, Mississippi 39211 (hereinafter referred to as "ITS"), as contracting agent for the Mississippi Department of Revenue located at 500 Clinton Center Drive, Clinton, Mississippi 39056 (hereinafter referred to as "Purchaser" and/or "DOR"). ITS and Purchaser are sometimes collectively referred to herein as "State."

**WHEREAS**, Purchaser, pursuant to Request for Proposals ("RFP") Number 3830 proposals for the acquisition of certain equipment, software, installation services, and technical support (collectively "Turnkey Operation") necessary for the implementation of a tag and title network system; and

**WHEREAS**, Seller was the successful proposer in an open, fair, and competitive procurement process to provide the system and services described above;

**NOW, THEREFORE**, in consideration of the mutual understandings, promises, consideration, and agreements set forth, the parties hereto agree as follows:

**ARTICLE 1 PERIOD OF PERFORMANCE**

**1.1** This Agreement will become effective on the date it is signed by all parties and will continue in effect until all tasks required herein, including any post warranty

maintenance/support specified in Exhibit A, have been completed. Seller agrees to complete all tasks required under this Agreement, with the exception of warranty service and post warranty maintenance, on or before September 30, 2017, or within such other period as may be agreed to by the parties.

**1.2** This Agreement will become a binding obligation on the State only upon the issuance of a valid purchase order by the Purchaser following contract execution and the issuance by ITS of the CP-1 Acquisition Approval Document.

## **ARTICLE 2 TURNKEY OPERATION AND INSTALLATION**

**2.1** The Seller agrees to provide Purchaser with a turnkey system consisting of equipment, software, installation services, technical support, maintenance, and training for the implementation of a tag and title network system. Seller agrees to facilitate the integration of the hardware and software for the particular purpose set forth in RFP No. 3830. Seller further agrees that the system, as set forth in RFP No. 3830 and Seller's Proposal in response thereto, shall operate efficiently and optimally in light of industry standards and as further specified in RFP No. 3830 and Seller's Proposal in response thereto. RFP No. 3830 and Seller's Proposal as accepted by the State in response thereto are incorporated herein by reference.

**2.2** In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that: (a) Seller is solely responsible for all products and services being provided in this project; (b) Seller is responsible for the fulfillment of this project; and (c) Seller represents all contractors, third parties, and/or subcontractors Seller has assembled for this project. The Purchaser is required to negotiate only with Seller, as Seller's commitments, as specified in this Agreement, are binding on all proposed contractors, third parties, and subcontractors.

## **ARTICLE 3 PURCHASE OF EQUIPMENT AND PURCHASE ORDERS**

Subject to the terms and conditions set forth herein, Seller agrees to provide, at the location specified by Purchaser, and Purchaser agrees to buy as needed the equipment, software, and services listed in the attached Exhibit A, which is incorporated herein and at the purchase price set forth therein, but in no event will the total compensation to be paid hereunder exceed the specified sum of \$**INSERT AMOUNT**, unless prior written authorization from ITS has been obtained. Purchaser shall submit a purchase order signed by a representative of Purchaser itemizing the items to be purchased. The purchase order shall be subject to the terms and conditions of this Agreement. The parties agree that Purchaser reserves the right to adjust the quantities of purchases based upon the availability of funding or as determined necessary by Purchaser. Seller guarantees pricing for a period of ninety (90) days from the effective date of this Agreement. In the event there is a national price decrease of the products specified in Seller's Proposal during this time, Seller agrees to extend the new, lower pricing to Purchaser.

## **ARTICLE 4 DELIVERY, INSTALLATION, AND RISK OF LOSS**

**4.1** Seller shall deliver the hardware and software to the location specified by Purchaser and pursuant to the delivery schedule set forth by Purchaser.

**4.2** Seller shall complete installation of hardware and software pursuant to the requirements set forth in RFP No. 3830 and Article 5 herein. Seller acknowledges that installation of the system shall be accomplished with minimal interruption of Purchaser's normal day-to-day operations.

**4.3** Seller shall assume and shall bear the entire risk of loss and damage to the hardware/software from any cause whatsoever while in transit and at all times throughout its possession thereof.

**4.4** Seller shall be responsible for replacing, restoring, or bringing to at least original condition any damage to floors, ceilings, walls, furniture, grounds, pavements, sidewalks, and the like caused by its personnel and operations during the installation, subject to final approval of ITS. The repairs will be done only by technicians skilled in the various trades involved, using materials and workmanship to match those of the original construction in type and quality.

**4.5** Seller shall be responsible for installing all equipment, cable, and materials in accordance with all State, Federal, and industry standards for such items.

## **ARTICLE 5 SCHEDULE AND ACCEPTANCE**

**5.1** Seller warrants that all equipment and software shall be properly delivered, installed, and integrated for acceptance testing within the scheduling deadlines set forth by Purchaser, as the site is deemed ready for installation. Seller shall provide Purchaser with an installation schedule identifying the date, time, and location within the scheduling deadlines set forth in RFP No. 3830, or as may be agreed to by the parties.

**5.2** During the project initiation, Seller and Purchaser will develop a mutually agreed upon project plan including the division of responsibility between Purchaser's staff and Seller's staff. It is understood by the parties that the project work plan must be in place prior to any other work being performed. Once this mutually agreed upon project plan, which will identify specific time frames and deliverable target dates for this project, has been developed, it will be incorporated into and made a part of this Agreement. The dates in the project plan will define the agreed upon period of performance. The parties acknowledge that the project plan will evolve and change from time to time, upon the mutual written agreement of both parties. The parties agree that the deliverables and schedule set forth in the latest version of the project plan will take precedence over any prior plans.

**5.3** Seller shall provide all documentation for the software and equipment being tested before acceptance testing will begin. Purchaser shall have ten (10) working days to review each deliverable and to either notify Seller of acceptance or to provide Seller a detailed list of deficiencies that must be remedied prior to payment being made. In the event the Purchaser notifies the Seller of deficiencies, the Seller, at Seller's sole expense, shall correct such deficiencies within five (5) working days, unless the Purchaser consents in writing to a longer period of time.

**5.4** Upon notification by Seller that the turnkey system has been fully implemented and is ready for final system acceptance testing, Purchaser shall have thirty (30) calendar days to evaluate and test the system to confirm that it performs without any defects and performs pursuant to the specifications set forth in RFP No. 3830 and the Seller's Proposal in response thereto. Seller shall participate, as agreed upon by both parties, in the acceptance testing of the system by providing technical staff at Purchaser's location to provide assistance in demonstrating all functions of the system. The Purchaser's official representative must sign off on each application to ensure that the applications meet the functional and technical requirements. In the event that one (1) or more applications supplied by Seller are not accepted, the Seller shall correct the deficiencies or provide, at its own expense, whatever software or equipment that may be required to meet the acceptance criteria within ten (10) working days or a mutually agreed upon time period. In the event the system fails to perform to Purchaser's satisfaction, Purchaser shall immediately notify Seller. Seller, at Seller's sole expense, shall correct defects identified by Purchaser within ten (10) working days, or such other period as the parties may agree upon. The thirty (30) calendar day testing period will be extended by system down-time. In the event Seller is unable to repair or replace the defective product, the Purchaser reserves the right to return the defective product to Seller at Seller's expense and to cancel this Agreement.

#### **ARTICLE 6 TITLE TO EQUIPMENT**

Title to the hardware provided under this Agreement shall pass to Purchaser upon acceptance of the system.

#### **ARTICLE 7 SOFTWARE**

**7.1** Seller shall furnish the software to Purchaser, as set forth in purchase orders submitted and executed by Purchaser, and shall acquire the right to license the software to Purchaser. For purposes of this Article, the term "Purchaser" means the Mississippi Department of Revenue, its employees, and any third party consultants or outsourcers engaged by Purchaser who have a need to know and who shall be bound by the terms and conditions of this license and Agreement.

**7.2** Seller accepts sole responsibility for: (a) Purchaser's system configuration, design, and requirements; (b) the selection of the software to achieve Purchaser's intended results; (c) the results obtained from the software; and (d) modifications, changes, or alterations to the software provided by Seller.

**7.3** Seller understands and agrees that Purchaser shall have: (a) a non-exclusive, non-transferable, enterprise-wide unlimited, and perpetual license for the software listed in Exhibit A; (b) the right to use and customize the software products and the related documentation for Purchaser's business operations in accordance with the terms and conditions of this Agreement; (c) unlimited use by licensed users of the software products acquired for Purchaser's operations; (d) use of such software products with a backup platform system, should it be deemed necessary by Purchaser; (e) the right to copy such software for

safekeeping, backup, and disaster recovery purposes; (f) the right to combine the software with other programs and modules and the right to create interfaces to other programs; and (g) the right to reproduce any and all physical documentation supplied under the terms of this Agreement.

**7.4** Purchaser agrees that, except as noted herein, it will not otherwise copy, translate, modify, adapt, decompile, disassemble, or reverse engineer any of the software without the prior written consent of Seller. All title and proprietary rights, whether tangible or intangible, including but not limited to copyright, trademark, and trade secret rights, in and to the software are retained by the Seller or the third party software manufacturer as applicable. Purchaser agrees to reproduce and include the copyright, trademark, and other proprietary rights notices on any copies made of the software and documentation.

#### **ARTICLE 8 CONVERSION AND TRAINING**

Seller shall, for the fees specified in the attached Exhibit A, provide the conversion activities specified in RFP No. 3830 and Seller's Proposal, as accepted by Purchaser in response thereto. Seller and Purchaser shall mutually agree on the time for the training and an outline of the training to be provided. Seller specifically understands and agrees that Purchaser will not accept the system until Seller completes the conversion and training requirements. Seller agrees to provide, upon delivery, all user documentation and technical manuals needed to fully acquaint the user with operation of the hardware and software.

#### **ARTICLE 9 CONSIDERATION AND METHOD OF PAYMENT**

**9.1** Except as provided in the Change Order Rate and Procedure Article of this Agreement, the total compensation to be paid to the Seller by the Purchaser shall not exceed the fixed price of \$**INSERT AMOUNT** for all hardware, software, products, services, travel, performances and expenses under this Agreement, payable as described in Exhibit A, unless prior written authorization from ITS has been obtained. Authorization of payments is subject to the written approval of the Purchaser.

**9.2** The Seller and the Purchaser agree to the Deliverable Schedule as set forth in the Payment Schedule and Deliverables List included as Exhibit A to this Agreement. The Seller will receive payment in the amount indicated in Article 9.1 herein, less retainage to be withheld in accordance with the Retainage Article herein, upon written acceptance by the Purchaser of each of the deliverables defined therein. The parties agree that as the project work plan is revised by written agreement of the parties during the term of this Agreement, the anticipated dates for acceptance of deliverables and for the corresponding payments to the Seller, but not the amounts of those payments, may likewise be revised only by written agreement of the parties.

**9.3** Upon written acceptance, as set forth in Article 5 herein, by the Purchaser of a deliverable which has an associated payment, the Seller will invoice the Purchaser for the invoice amount of that payment as indicated in the attached Exhibit A, less retainage to be withheld in accordance with the Retainage Article herein. Seller shall certify that the billing is

true and correct. Seller shall submit invoices and supporting documentation to Purchaser electronically at any time during the term of this Agreement using the processes and procedures identified by the State. Purchaser agrees to pay Seller in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," Sections 31-7-301, et seq. of the 1972 Mississippi Code Annotated, as amended, which generally provides for payment of undisputed amounts by the State within forty-five (45) days of receipt of the invoice. Seller understands and agrees that Purchaser is exempt from the payment of taxes. All payments should be made in United States currency. Payments by state agencies using Mississippi's Accountability System for Government Information and Collaboration (MAGIC) shall be made and remittance information provided electronically as directed by the State. The payments by these agencies shall be deposited into the bank account of the Seller's choice. No payment, including final payment, shall be construed as acceptance of defective products or incomplete work, and the Seller shall remain responsible and liable for full performance in strict compliance with the contract documents specified in the article herein titled "Entire Agreement."

**9.4** Acceptance by the Seller of the last payment from the Purchaser shall operate as a release of all claims against the State by the Seller and any subcontractors or other persons supplying labor or materials used in the performance of the work under this Agreement.

## **ARTICLE 10 WARRANTIES**

**10.1** Seller represents and warrants that all equipment and software provided by Seller shall meet or exceed the minimum specifications set forth in RFP No. 3830 and Seller's Proposal in response thereto.

**10.2** For a period of one (1) year after acceptance, Seller represents and warrants that the equipment provided pursuant to this Agreement shall operate without defects in material and workmanship. All equipment provided by Seller shall be covered by the manufacturer's warranties, beginning upon acceptance of the system. Seller's obligations pursuant to these warranties shall include, but are not limited to, the correction of all defects in the system and the repair or replacement of the equipment at no cost to Purchaser. In the event Seller cannot repair or replace an item of equipment, Seller shall, at the State's election, either refund the purchase price of the equipment and refund any fees paid for services that directly relate to the defective equipment or secure alternate equipment acceptable to the Purchaser that will insure functionality of the system.

**10.3** Seller represents and warrants that Seller has the right to sell the equipment and license the software provided under this Agreement.

**10.4** Seller represents and warrants that Purchaser shall acquire good and clear title to the hardware purchased hereunder, free and clear of all liens and encumbrances.

**10.5** Seller represents and warrants that all software furnished will be free from material defects for a period of one (1) year after acceptance and will provide Purchaser complete functionality necessary for the operation of the system as stated in RFP No. 3830 and the

Seller's Proposal in response thereto. Seller's obligations pursuant to this warranty shall include, but are not limited to, the correction of all defects in the software and the repair or replacement of the software at no cost to Purchaser. In the event Seller cannot repair or replace the software, Seller shall at the State's election, either refund the fees paid for the software and for any services that directly relate to the defective software. or secure alternate software acceptable to the Purchaser which will insure functionality of the system.

**10.6** Seller represents and warrants that each unit of hardware delivered shall be delivered new and not as "used, substituted, rebuilt, refurbished, or reinstalled" equipment.

**10.7** Seller represents and warrants that the turnkey system is fit for the particular purpose set forth in this Agreement and RFP No. 3830, with regard to Purchaser's foreseeable or projected needs.

**10.8** Seller represents and warrants that it has and will obtain and pass through to Purchaser any and all warranties obtained or available from the licensor of software or the manufacturer of the equipment and replacement parts supplied to Seller.

**10.9** Seller represents and warrants that Seller shall maintain all equipment provided hereunder, pursuant to the manufacturer's warranty policies throughout the equipment manufacturer's specified warranty period.

**10.10** Seller represents and warrants that all work performed hereunder, including but not limited to consulting, conversion, training, technical support, and maintenance, shall be performed by competent personnel, shall be of professional quality consistent with generally accepted industry standards for the performance of such services, and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Seller shall, for a period of ninety (90) days from the performance of service, perform the services again, at no cost to the Purchaser, or if the Seller is unable to perform the services as warranted, the Seller shall reimburse the Purchaser the fees paid to the Seller for the unsatisfactory services.

**10.11** Seller represents and warrants that there is no disabling code or a lockup program or device embedded in the software provided to Purchaser. Seller further agrees that it will not, under any circumstances including enforcement of a valid contract right, (a) install or trigger a lockup program or device, or (b) take any step which would in any manner interfere with Purchaser's use of the software and/or which would restrict Purchaser from accessing its data files or in any way interfere with the transaction of Purchaser's business. For any breach of this warranty, Seller, at its expense, shall, within five (5) working days after receipt of notification of the breach, deliver Products to Purchaser that are free of such disabling code or a lockup program or device.

**10.12** Seller represents and warrants that the software, as delivered to Purchaser, does not contain a computer virus. For any breach of this warranty, Seller, at its expense, shall, within



five (5) working days after receipt of notification of the breach, deliver Products to Purchaser that are free of any virus and shall be responsible for repairing, at Seller's expense, any and all damage done by the virus to Purchaser's site.

**10.13** Seller represents and warrants that the turnkey system furnished will be free from material defects for a period of after final acceptance of the complete system and will provide Purchaser complete functionality necessary for the operation of the system as stated in RFP No. 3830 and the Seller's Proposal in response thereto. This warranty shall cover all components of the system, including but not limited to all programs, screens, reports, subroutines, utilities, file structures, documentation, interfaces, or other items provided by the Seller. This warranty will apply to the base package, plus any customized programs, screens, reports, subroutines, interfaces, utilities, file structures, documentation, or other items proposed and delivered by the Seller specifically for this project. The Seller shall give immediate high priority attention to any mission critical corrections that are needed. If the system does not function accordingly, Seller shall, at the State's election within five (5) working days and at no cost to Purchaser, either correct the defects identified, replace the products with products that are compliant with this warranty, or refund the fees paid for the products and for any services that directly relate to the defective product.

**10.14** Seller represents and warrants that, upon completion of the project, the Seller and all subcontractors shall convey to Purchaser copies of all interim reports, data collection forms, and any working papers that support the final acceptance of the system.

**10.15** Seller represents and warrants that it presently has and will continue to maintain, at its own expense, throughout the term of this Agreement, valid licenses for all software, trademarks, service marks, patents and copyrighted material and any other proprietary information of a third party that it will deploy in support of all products Seller uses in the performance of this Agreement. Seller further represents and warrants that upon Purchaser's request, Seller shall pass through such licenses to Purchaser at no cost to Purchaser. In the event the licenses are passed through to Purchaser, such licenses shall name the Purchaser as the license holder of record and such licenses shall be established in such a manner so as to survive the termination/expiration of this Agreement. For any breach of the preceding warranty, Seller at its own expense shall within five (5) business days after receipt of notification of the breach, secure and/or pass through, as applicable, the necessary licenses. Failure of the Seller to secure and/or pass through such licenses to Purchaser shall be considered a material breach of this Agreement and the Purchaser may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

**10.16** If applicable under the given circumstances, Seller represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of

1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Seller agrees to maintain records of such compliance and, upon request of the State and approval of the Social Security Administration or Department of Homeland Security where required, to provide a copy of each such verification to the State. Seller further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Seller understands and agrees that any breach of these warranties may subject Seller to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Seller by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Seller would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

**10.17** Seller represents and warrants that the system provided pursuant to this Agreement will pass both internal security audits and independent security audits. For any breach of the preceding warranty at any time during which the system is covered by warranty, maintenance and/or support, Seller shall, at its own expense and at no cost to Purchaser, remediate any defect, anomaly or security vulnerability in the system by repairing and/or replacing any and all components of the system necessary in order for the system to be secure.

**10.18** Seller represents and warrants that no official or employee of Purchaser or of ITS, and no other public official of the State of Mississippi who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project shall, prior to the completion of said project, voluntarily acquire any personal interest, direct or indirect, in this Agreement. The Seller warrants that it has removed any material conflict of interest prior to the signing of this Agreement, and that it shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its responsibilities under this Agreement. The Seller also warrants that in the performance of this Agreement no person having any such known interests shall be employed.

**10.19** The Seller represents and warrants that no elected or appointed officer or other employee of the State of Mississippi, nor any member of or delegate to Congress has or shall benefit financially or materially from this Agreement. No individual employed by the State of Mississippi shall be admitted to any share or part of the Agreement or to any benefit that may arise therefrom. The State of Mississippi may, by written notice to the Seller, terminate the right of the Seller to proceed under this Agreement if it is found, after notice and hearing by the ITS Executive Director or his/her designee, that gratuities in the form of entertainment, gifts, jobs, or otherwise were offered or given by the Seller to any officer or employee of the State of Mississippi with a view toward securing this Agreement or securing favorable treatment with respect to the award, or amending or making of any determinations with respect to the performing of such contract, provided that the existence of the facts upon which the ITS Executive Director makes such findings shall be in issue and may be reviewed in any competent

court. In the event this Agreement is terminated under this article, the State of Mississippi shall be entitled to pursue the same remedies against the Seller as it would pursue in the event of a breach of contract by the Seller, including punitive damages, in addition to any other damages to which it may be entitled at law or in equity.

#### **ARTICLE 11 INFRINGEMENT INDEMNIFICATION**

Seller represents and warrants that neither the software, its elements, nor the use thereof violates or infringes on any copyright, patent, trademark, servicemark, trade secret, or other proprietary right of any person or entity. Seller, at its own expense, shall defend or settle any and all infringement actions filed against Seller or Purchaser which involve the software provided under this Agreement and shall pay all settlements, as well as all costs, attorney fees, damages, and judgment finally awarded against Purchaser. If the continued use of the products for the purpose intended is threatened to be enjoined or is enjoined by any court of competent jurisdiction, Seller shall, at its expense: (a) first procure for Purchaser the right to continue using such products, or upon failing to procure such right; (b) modify or replace them with non-infringing products while maintaining substantially similar software functionality or data/informational content, or upon failing to secure either such right; (c) refund to Purchaser the software license fees previously paid by Purchaser for the products Purchaser may no longer use. Said refund shall be paid within ten (10) working days of notice to Purchaser to discontinue said use.

#### **ARTICLE 12 SYSTEM MAINTENANCE DURING WARRANTY**

**12.1** Seller agrees to provide on-site warranty service on all software, equipment, and any other devices that would be included within them for the periods specified and fixed prices noted in Exhibit A.

**12.2** Seller will respond by telephone within one (1) hour to requests for warranty repair service twenty-four (24) hours a day, seven (7) days a week, and will come on-site with the necessary crash kit within four (4) hours from the point the call is made to service critical components and within eight (8) hours from the point the call is made to service all other peripherals and related software and computer equipment. Should the Seller fail to respond within such time, Seller shall pay the Purchaser \$1,000.00 per hour for every hour of delay. The warranty includes all parts, labor, and travel.

**12.3** Seller agrees it will maintain in house the most frequently used supply replacement parts needed to service the equipment. Replacement parts will be new and not used or refurbished and will either be manufactured by and/or meet the minimum specifications established by the manufacturer of the equipment. Title to all replacement parts installed in the equipment will pass to Purchaser at the time of replacement, and title to parts removed for replacement will, at the time of replacement, pass to Seller.

**12.4** Seller agrees to a maximum eight (8) hour turnaround from the point the call is made on all repairs not requiring parts ordering and a maximum two (2) working days on all other repairs. If the repairs have not been made within these designated time frames, Seller shall pay the

Purchaser \$1,000.00 per hour for every hour of delay. If after two (2) days the item has not been repaired, a compatible loaner unit will be provided by Seller at no expense to Purchaser.

**12.5** Seller agrees to provide preventive maintenance based on the specific needs of the equipment during normal business hours and at intervals specified in RFP No. 3830 and Seller's Proposal as accepted by the State in response thereto. Preventive maintenance may be performed concurrently with remedial maintenance activity. Seller must record all activities related to preventive maintenance on a log to be retained on-site.

**12.6** Maintenance does not cover damage to equipment caused by Purchaser's abuse or neglect; damage caused by an act of God (flood, earthquake, lightning, etc.) or loss due to fire or theft; neglect, misuse, alterations, or deviation from intended machine use; maintenance or repair of the machine performed by persons other than Seller, or maintenance or removal of alterations or attachments.

**12.7** The parties understand and agree that Purchaser reserves the right to cancel warranty service on all or part of the equipment as Purchaser deems necessary.

**12.8** Seller shall provide, for the periods set forth in Exhibit A, software support services as specified in RFP No. 3830 and Seller's Proposal, as accepted by Purchaser, in response thereto, with said support to include, but not be limited to, the following: (a) upon notification of software errors, Seller shall provide all remedial support and assistance needed to correct the errors which affect the operation of the software; (b) the provision of regular updates, new releases, and enhancements as they are released, but no less than one (1) annually; (c) unlimited toll-free technical telephone support in the operation of the software system twenty-four (24) hours a day, seven (7) days a week with a guaranteed one (1) hour telephone response time; priority placement in the support queue shall be given to all system locking situations or problems claimed by Purchaser to be a mission critical process; and (d) on-site support in the operation of the software products if reasonably convenient or necessary in the opinion of the Seller. It is further understood that in the event the software product lines are discontinued, Seller shall be responsible for supporting the last software release implemented by the Purchaser for a minimum of five (5) years thereafter, with the same level of support as described in this Article. Should Seller migrate away from the database currently required for the software installed for Purchaser to a different database, Seller shall provide updated product and new database licensing to Purchaser at no cost to Purchaser.

**12.9** Sixty (60) days prior to expiration of the warranty service on the software and each item of equipment, Seller shall notify Purchaser in writing of the impending warranty expiration, and Purchaser shall have thirty (30) days in which to notify Seller of its decision to either subscribe to Post Warranty Maintenance or to forgo Post Warranty Maintenance.

### **ARTICLE 13 POST WARRANTY SYSTEM MAINTENANCE**

**13.1** Upon Purchaser's notification to Seller, pursuant to Article 12.9 herein, of Purchaser's decision to subscribe to Post Warranty Maintenance, the Seller agrees to provide on-site

preventive and remedial maintenance necessary to maintain the software and equipment and any other devices that would be included within them for the time periods specified and fixed prices noted in Exhibit A. The maintenance includes all parts, labor, and travel.

**13.2** Seller will respond by telephone within one (1) hour to requests for unscheduled remedial maintenance twenty-four (24) hours a day, seven (7) days a week and will come on-site with the necessary crash kit within four (4) hours from the point the call is made to service critical components and within eight (8) hours from the point the call is made to service all other peripherals and related software and computer equipment. Should the Seller fail to respond within such time, Seller shall pay the Purchaser \$1,000.00 per hour for every hour of delay.

**13.3** Seller agrees it will maintain in house the most frequently used supply replacement parts needed to service the equipment. Replacement parts will be new and not used or refurbished and will either be manufactured by and/or meet the minimum specifications established by the manufacturer of the equipment. Title to all replacement parts installed in the equipment will pass to Purchaser at the time of replacement, and title to parts removed for replacement will, at the time of replacement, pass to Seller.

**13.4** Seller agrees to a maximum eight (8) hour turnaround from the point the call is made on all repairs not requiring parts ordering and a maximum two (2) working days on all other repairs. If the repairs have not been made within these designated time frames, Seller shall pay the Purchaser \$1,000.00 per hour for every hour of delay. If after two (2) days the item has not been repaired, a compatible loaner unit will be provided by Seller at no expense to Purchaser.

**13.5** Seller agrees to provide preventive maintenance based on the specific needs of the equipment during normal business hours and at intervals specified in RFP No. 3830 and Seller's Proposal as accepted by the State in response thereto. Preventive maintenance may be performed concurrently with remedial maintenance activity. Seller must record all activities related to preventive maintenance on a log to be retained on-site.

**13.6** Maintenance does not cover damage to equipment caused by Purchaser's abuse or neglect; damage caused by an act of God (flood, earthquake, lightning, etc.) or loss due to fire or theft; neglect, misuse, alterations, or deviation from intended machine use; maintenance or repair of the machine performed by persons other than Seller, or maintenance or removal of alterations or attachments.

**13.7** The parties understand and agree that Purchaser reserves the right to add other equipment to be maintained or to cancel maintenance on all or part of the equipment as Purchaser deems necessary.

**13.8** Seller shall provide, for the periods set forth in Exhibit A, software support services as specified in RFP No. 3830 and Seller's Proposal, as accepted by Purchaser, in response thereto, with said support to include, but not be limited to, the following: (a) upon notification of software errors, Seller shall provide all remedial support and assistance needed to correct the

errors which affect the operation of the software; (b) the provision of regular updates, new releases, and enhancements as they are released, but no less than one (1) annually; (c) unlimited toll-free technical telephone support in the operation of the software system twenty-four (24) hours a day, seven (7) days a week, with a guaranteed one (1) hour telephone response time; priority placement in the support queue shall be given to all system locking situations or problems claimed by Purchaser to be a mission critical process; and (d) on-site support in the operation of the software products if reasonably convenient or necessary in the opinion of the Seller. It is further understood that in the event the software product lines are discontinued, Seller shall be responsible for supporting the last software release implemented by the Purchaser for a minimum of five (5) years thereafter, with the same level of support as described in this Article. Should Seller migrate away from the database currently required for the software installed for Purchaser to a different database, Seller shall provide updated product and new database licensing to Purchaser at no cost to Purchaser.

**13.9** Sixty (60) days prior to the expiration of the Post Warranty Maintenance term, Seller shall notify Purchaser in writing of the impending expiration, and Purchaser shall have thirty (30) days in which to notify Seller of its intention to either renew or cancel any further maintenance. In no event shall the cost for maintenance services increase by more than five percent (5%) per year.

#### **ARTICLE 14 EMPLOYMENT STATUS**

**14.1** Seller shall, during the entire term of this Agreement, be construed to be an independent contractor. Nothing in this Agreement is intended to nor shall it be construed to create an employer-employee relationship or a joint venture relationship.

**14.2** Seller represents that it is qualified to perform the duties to be performed under this Agreement and that it has or will secure, if needed, at its own expense, applicable personnel who shall be qualified to perform the duties required under this Agreement. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of Purchaser. Seller shall pay, when due, all salaries and wages of its employees, and it accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation, and any other withholdings that may be required. Neither Seller nor employees of Seller are entitled to state retirement or leave benefits.

**14.3** Any person assigned by Seller to perform the services hereunder shall be the employee of Seller, who shall have the sole right to hire and discharge its employee. Purchaser may, however, direct Seller to replace any of its employees under this Agreement. If Seller is notified within the first eight (8) hours of assignment that the person is unsatisfactory, Seller will not charge Purchaser for those hours.

**14.4** It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performances hereunder and that any sum due and payable to Seller shall be paid as a gross sum with no withholdings or deductions being made by Purchaser for any purpose from said contract sum.

#### **ARTICLE 15 BEHAVIOR OF EMPLOYEES/SUBCONTRACTORS**

Seller will be responsible for the behavior of all its employees and subcontractors while on the premises of any Purchaser location. Any employee or subcontractor acting in a manner determined by the administration of that location to be detrimental, abusive, or offensive to any of the staff will be asked to leave the premises and may be suspended from further work on the premises. All Seller employees and subcontractors who will be working at such locations to install or repair Products shall be covered by Seller's comprehensive general liability insurance policy.

#### **ARTICLE 16 MODIFICATION OR RENEGOTIATION**

This Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect. The parties agree to renegotiate the Agreement if federal and/or state revisions of any applicable laws or regulations make changes in this Agreement necessary.

#### **ARTICLE 17 AUTHORITY, ASSIGNMENT AND SUBCONTRACTS**

**17.1** In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that Seller represents all contractors, third parties, and/or subcontractors Seller has assembled for this project. The Purchaser is required to negotiate only with Seller, as Seller's commitments are binding on all proposed contractors, third parties, and subcontractors.

**17.2** Neither party may assign or otherwise transfer this Agreement or its obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of its obligations without such consent shall be null and void. This Agreement shall be binding upon the parties' respective successors and assigns.

**17.3** Seller must obtain the written approval of Purchaser before subcontracting any portion of this Agreement. No such approval by Purchaser of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of Purchaser in addition to the total fixed price agreed upon in this Agreement. All subcontracts shall incorporate the terms of this Agreement and shall be subject to the terms and conditions of this Agreement and to any conditions of approval that Purchaser may deem necessary.

**17.4** Seller represents and warrants that any subcontract agreement Seller enters into shall contain a provision advising the subcontractor that the subcontractor shall have no lien and no legal right to assert control over any funds held by the Purchaser, that the subcontractor acknowledges that no privity of contract exists between the Purchaser and the subcontractor, and that the Seller is solely liable for any and all payments which may be due to the subcontractor pursuant to its subcontract agreement with the Seller. The Seller shall indemnify and hold harmless the State from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs, and expenses of every kind and nature whatsoever arising as

a result of Seller's failure to pay any and all amounts due by Seller to any subcontractor, materialman, laborer, or the like.

**17.5** All subcontractors shall be bound by any negotiation, arbitration, appeal, adjudication, or settlement of any dispute between the Seller and the Purchaser, where such dispute affects the subcontract.

#### **ARTICLE 18 AVAILABILITY OF FUNDS**

It is expressly understood and agreed that the obligation of Purchaser to proceed under this Agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds for the performances required under this Agreement. If the funds anticipated for the fulfillment of this Agreement are not forthcoming or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds, or if there is a discontinuance or material alteration of the program under which funds were available to Purchaser for the payments or performance due under this Agreement, Purchaser shall have the right to immediately terminate this Agreement without damage, penalty, cost, or expense to Purchaser of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination. Purchaser shall have the sole right to determine whether funds are available for the payments or performances due under this Agreement.

#### **ARTICLE 19 TERMINATION**

Notwithstanding any other provision of this Agreement to the contrary, this Agreement may be terminated, in whole or in part, as follows: (a) upon the mutual, written agreement of the parties; (b) by Purchaser, without the assessment of any penalties, upon thirty (30) days written notice to Seller, if Seller becomes the subject of bankruptcy, reorganization, liquidation, or receivership proceedings, whether voluntary or involuntary; (c) by Purchaser, without the assessment of any penalties, for any reason after giving thirty (30) days written notice specifying the effective date thereof to Seller; or (d) by either party in the event of a breach of a material term or provision of this Agreement where such breach continues for thirty (30) days after the breaching party receives written notice from the other party. Upon termination, Seller shall refund to Purchaser any and all applicable unexpended prorated annual support fees/charges, previously paid by Purchaser. In the event of termination, Seller shall be paid for satisfactory work completed or services rendered by Seller in connection with this Agreement and accepted by Purchaser as of the date of receipt of notification of termination. In no case shall said compensation exceed the total contract price. The provisions of this Article do not limit either party's right to pursue any other remedy available at law or in equity.

#### **ARTICLE 20 GOVERNING LAW**

This Agreement shall be construed and governed in accordance with the laws of the State of Mississippi, and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. Seller expressly agrees that under no circumstances shall Purchaser or ITS be obligated to pay an attorney's fee, prejudgment interest, or the cost of legal action to Seller.



Further, nothing in this Agreement shall affect any statutory rights Purchaser may have that cannot be waived or limited by contract.

#### **ARTICLE 21 WAIVER**

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Agreement. A waiver by the State, to be effective, must be in writing, must set out the specifics of what is being waived, and must be signed by an authorized representative of the State.

#### **ARTICLE 22 SEVERABILITY**

If any term or provision of this Agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law, provided that the State's purpose for entering into this Agreement can be fully achieved by the remaining portions of the Agreement that have not been severed.

#### **ARTICLE 23 CAPTIONS**

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision or section of this Agreement.

#### **ARTICLE 24 HOLD HARMLESS**

To the fullest extent allowed by law, Seller shall indemnify, defend, save and hold harmless, protect, and exonerate Purchaser, ITS and the State, its Board Members, officers, employees, agents, and representatives from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs, and expenses of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, attorney fees, and claims for damages arising out of or caused by Seller and/or its partners, principals, agents, employees, or subcontractors in the performance of or failure to perform this Agreement.

#### **ARTICLE 25 THIRD PARTY ACTION NOTIFICATION**

Seller shall notify Purchaser in writing within five (5) business days of Seller filing bankruptcy, reorganization, liquidation or receivership proceedings or within five (5) business days of its receipt of notification of any action or suit being filed or any claim being made against Seller or Purchaser by any entity that may result in litigation related in any way to this Agreement and/or which may affect the Seller's performance under this Agreement. Failure of the Seller to provide such written notice to Purchaser shall be considered a material breach of this Agreement and the Purchaser may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

#### **ARTICLE 26 AUTHORITY TO CONTRACT**

Seller warrants that it is a validly organized business with valid authority to enter into this Agreement, that entry into and performance under this Agreement is not restricted or prohibited

by any loan, security, financing, contractual, or other agreement of any kind, and notwithstanding any other provision of this Agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this Agreement.

#### **ARTICLE 27 NOTICE**

Any notice required or permitted to be given under this Agreement shall be in writing and personally delivered or sent by electronic means, provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom the notice should be given at their business address listed herein. ITS' address for notice is: Craig P. Orgeron, Ph.D., Executive Director, Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Purchaser's address for notice is: Mr. J. Ed Morgan, Commissioner of Revenue, Mississippi Department of Revenue, 500 Clinton Center Drive, Clinton, Mississippi 39056. The Seller's address for notice is: **INSERT NAME, TITLE & ADDRESS OF VENDOR PERSON FOR NOTICE**. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

#### **ARTICLE 28 RECORD RETENTION AND ACCESS TO RECORDS**

Seller shall establish and maintain financial records, supporting documents, statistical records and such other records as may be necessary to reflect its performance of the provisions of this Agreement. The Purchaser, ITS, any state or federal agency authorized to audit Purchaser, and/or any of their duly authorized representatives, shall have unimpeded, prompt access to this Agreement and to any of the Seller's proposals, books, documents, papers and/or records that are pertinent to this Agreement to make audits, copies, examinations, excerpts and transcriptions at the State's or Seller's office as applicable where such records are kept during normal business hours. All records relating to this Agreement shall be retained by the Seller for three (3) years from the date of receipt of final payment under this Agreement. However, if any litigation or other legal action, by or for the state or federal government has begun that is not completed at the end of the three (3) year period, or if an audit finding, litigation or other legal action has not been resolved at the end of the three (3) year period, the records shall be retained until resolution.

#### **ARTICLE 29 INSURANCE**

Seller represents that it will maintain workers' compensation insurance as prescribed by law, which shall inure to the benefit of Seller's personnel, as well as comprehensive general liability and employee fidelity bond insurance. Seller will, upon request, furnish Purchaser with a certificate of conformity providing the aforesaid coverage.

#### **ARTICLE 30 DISPUTES**

Any dispute concerning a question of fact under this Agreement, which is not disposed of by agreement of the Seller and Purchaser, shall be decided by the Executive Director of ITS or his/her designee. This decision shall be reduced to writing and a copy thereof mailed or furnished to the parties. Disagreement with such decision by either party shall not constitute a

breach under the terms of this Agreement. Such disagreeing party shall be entitled to seek such other rights and remedies it may have at law or in equity.

#### **ARTICLE 31 COMPLIANCE WITH LAWS**

**31.1** Seller shall comply with, and all activities under this Agreement shall be subject to, all Purchaser policies and procedures and all applicable federal, state, and local laws, regulations, policies, and procedures as now existing and as may be amended or modified. Specifically, but not limited to, Seller shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this Agreement because of race, creed, color, sex, age, national origin, or disability. Further, if applicable, Seller shall comply with the provisions of the Davis-Bacon Act including, but not limited to, the wages, recordkeeping, reporting and notice requirements set forth therein.

**31.2** Seller represents and warrants that it will comply with the state's data breach notification laws codified at Section 75-24-29 of the Mississippi Code Annotated (Supp. 2012). Further, to the extent applicable, Seller represents and warrants that it will comply with the applicable provisions of the HIPAA Privacy Rule and Security Regulations (45 CFR Parts 160, 162 and 164) ("Privacy Rule" and "Security Regulations", individually; or "Privacy and Security Regulations", collectively); and the provisions of the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (the "HITECH Act").

#### **ARTICLE 32 CONFLICT OF INTEREST**

Seller shall notify Purchaser of any potential conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to Purchaser's satisfaction, Purchaser reserves the right to terminate this Agreement.

#### **ARTICLE 33 SOVEREIGN IMMUNITY**

By entering into this Agreement with Seller, the State of Mississippi does in no way waive its sovereign immunities or defenses as provided by law.

#### **ARTICLE 34 CONFIDENTIAL INFORMATION**

**34.1** Seller shall treat all Purchaser data and information to which it has access by its performance under this Agreement as confidential and shall not disclose such data or information to a third party without specific written consent of Purchaser. In the event that Seller receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of such information, Seller shall promptly inform Purchaser and thereafter respond in conformity with such subpoena to the extent mandated by state and/or federal laws, rules, and regulations. This Article shall survive the termination or completion of this Agreement, shall continue in full force and effect, and shall be binding upon the Seller and its agents, employees, successors, assigns, subcontractors, or any party or entity claiming an interest in this Agreement on behalf of or under the rights of the Seller, following any termination or completion of this Agreement.

**34.2** With the exception of any attached exhibits which are labeled as "confidential", the parties understand and agree that this Agreement, including any amendments and/or change orders thereto, does not constitute confidential information, and may be reproduced and distributed by the State without notification to Seller. ITS will provide third party notice to Seller of any requests received by ITS for any such confidential exhibits so as to allow Seller the opportunity to protect the information by court order as outlined in ITS Public Records Procedures.

**34.3** The parties understand and agree that pursuant to §25-61-9(7) of the Mississippi Code of 1972, as amended, the contract provisions specifying the commodities purchased or the services provided; the price to be paid; and the term of this Agreement shall not be deemed confidential information.

#### **ARTICLE 35 EFFECT OF SIGNATURE**

Each person signing this Agreement represents that he or she has read the Agreement in its entirety, understands its terms, is duly authorized to execute this Agreement on behalf of the parties, and agrees to be bound by the terms contained herein. Accordingly, this Agreement shall not be construed or interpreted in favor of or against the State or the Seller on the basis of draftsmanship or preparation hereof.

#### **ARTICLE 36 OWNERSHIP OF DOCUMENTS AND WORK PRODUCTS**

All data, electronic or otherwise, collected by Seller and all documents, notes, programs, databases (and all applications thereof), files, reports, studies, and/or other material collected and prepared by Seller in connection with this Agreement, whether completed or in progress, shall be the property of Purchaser upon completion of this Agreement or upon termination of this Agreement. Purchaser hereby reserves all rights to the databases and all applications thereof and to any and all information and/or materials prepared in connection with this Agreement. Seller is prohibited from use of the above described information and/or materials without the express written approval of Purchaser.

#### **ARTICLE 37 NON-SOLICITATION OF EMPLOYEES**

Seller agrees not to employ or to solicit for employment, directly or indirectly, any of the Purchaser's employees until at least one (1) year after the expiration/termination of this Agreement, unless mutually agreed to the contrary in writing by the Purchaser and the Seller, and provided that such an agreement between these two entities is not a violation of the laws of the State of Mississippi or the federal government.

#### **ARTICLE 38 ENTIRE AGREEMENT**

**38.1** This Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating hereto, including all terms of any unsigned or "shrink-wrap" license included in any package, media, or electronic version of Seller-furnished software, or any "click-wrap" or "browse-wrap" license presented in

connection with a purchase via the Internet. The RFP No. 3830 and Seller's Proposal in response to RFP No. 3830 are hereby incorporated into and made a part of this Agreement.

**38.2** The Agreement made by and between the parties hereto shall consist of and precedence is hereby established by the order of the following:

- A.** This Agreement signed by both parties;
- B.** Any exhibits attached to this Agreement;
- C.** RFP No. 3830 and written addenda; and
- D.** Seller's Proposal, as accepted by Purchaser, in response to RFP No. 3830.

**38.3** The intent of the above listed documents is to include all items necessary for the proper execution and completion of the services by the Seller. The documents are complementary, and what is required by one shall be binding as if required by all. A higher order document shall supersede a lower order document to the extent necessary to resolve any conflict or inconsistency arising under the various provisions thereof, provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur by reason thereof. The documents listed above are shown in descending order of priority, that is, the highest document begins with the first listed document ("A. This Agreement") and the lowest document is listed last ("D. Seller's Proposal").

#### **ARTICLE 39 STATE PROPERTY AND LOCATION OF WORK**

**39.1** Seller shall be responsible for the proper custody of any Purchaser-owned property furnished for Seller's use in connection with work performed pursuant to this Agreement. Seller shall reimburse the Purchaser for any loss or damage, normal wear and tear excepted.

**39.2** All work provided in connection with this contract will be required to be performed on-site in the Purchaser's offices in Clinton, Mississippi, unless written approval is received from the State. Seller accepts full responsibility for all problems arising out of a decision to perform off-site work.

#### **ARTICLE 40 SURVIVAL**

Articles 10, 11, 12, 13, 20, 24, 28, 33, 34, 36, 37, and all other articles, which by their express terms so survive or which should so reasonably survive, shall survive any termination or expiration of this Agreement.

#### **ARTICLE 41 DEBARMENT AND SUSPENSION CERTIFICATION**

Seller certifies that neither it nor its principals: (a) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency; (b) have, within a three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or

state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted of or otherwise criminally or civilly charged by a governmental entity with the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (d) have, within a three (3) year period preceding this Agreement, had one or more public transactions (federal, state, or local) terminated for cause or default.

#### **ARTICLE 42 COMPLIANCE WITH ENTERPRISE SECURITY POLICY**

Seller and Purchaser understand and agree that all products and services provided by Seller under this Agreement must be and remain in compliance with the State of Mississippi's Enterprise Security Policy. The parties understand and agree that the State's Enterprise Security Policy is based on industry-standard best practices, policy, and guidelines at the time of contract execution. The State reserves the right to introduce a new policy during the term of this Agreement and require the Seller to comply with same in the event the industry introduces more secure, robust solutions or practices that facilitate a more secure posture for the State of Mississippi.

#### **ARTICLE 43 RETAINAGE**

To secure the Seller's performance under this Agreement, the Seller agrees that the Purchaser shall hold back as retainage fifteen percent (15%) of each amount payable, including amounts payable under Change Orders, under this Agreement. The retainage amount will continue to be held until final acceptance of the system by the State and the expiration of the warranty period.

#### **ARTICLE 44 STATUTORY AUTHORITY**

By virtue of Section 25-53-21 of the Mississippi Code Annotated, as amended, the Executive Director of ITS is the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of information technology equipment, software, and services. The parties understand and agree that ITS as contracting agent is not responsible or liable for the performance or non-performance of any of Purchaser's or Seller's contractual obligations, financial or otherwise, contained within this Agreement. The parties further acknowledge that ITS is not responsible for ensuring compliance with any guidelines, conditions, or requirements mandated by Purchaser's funding source.

#### **ARTICLE 45 TRANSPARENCY**

In accordance with the Mississippi Accountability and Transparency Act of 2008, §27-104-151, et seq., of the Mississippi Code of 1972, as Amended, the American Accountability and Transparency Act of 2009 (P.L. 111-5), where applicable, and §31-7-13 of the Mississippi Code of 1972, as amended, where applicable, a fully executed copy of this Agreement and any subsequent amendments and change orders shall be posted to the State of Mississippi's accountability website at: <https://www.transparency.mississippi.gov>. Prior to ITS posting the Agreement and any subsequent amendments and change orders to the website, any attached

exhibits which contain trade secrets or other proprietary information and are labeled as "confidential" will be redacted by ITS.

#### **ARTICLE 46 LIQUIDATED DAMAGES**

It is agreed by the parties hereto that time is of the essence and that in the event of a delay in the delivery and installation deadlines or delay in the satisfactory completion and acceptance of the services provided for herein, damage shall be sustained by Purchaser. In the event of a delay as described herein, Seller shall pay Purchaser, within five (5) calendar days from the date of receipt of notice, fixed and liquidated damages of twenty-five thousand dollar (\$25,000.00) per day for each calendar day of delay caused by Seller. Purchaser may offset amounts due it as liquidated damages against any monies due Seller under this Agreement. Purchaser will notify Seller in writing of any claim for liquidated damages pursuant hereto on or before the date Purchaser deducts such sums from money payable to Seller. Any liquidated damages assessed are in addition to and not in limitation of any other rights or remedies of Purchaser.

#### **ARTICLE 47 PERFORMANCE BOND**

As a condition precedent to the formation of this Agreement, the Seller must provide a performance bond as herein described. To secure the Seller's performance, the Seller shall procure, submit to the State with this executed Agreement, and maintain in effect at all times during the course of this Agreement a performance bond in the amount of twenty-five million dollars (\$25,000,000.00). The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the performance bond and shall identify a contact person to be notified in the event the State is required to take action against the bond. The term of the performance bond shall be concurrent with the term of this Agreement, with the exception of post-warranty maintenance and support, and shall not be released to Seller until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Seller's performance and performance of the products/services delivered and determine that the Seller's performance bond may be reduced or released prior to expiration of the full warranty period. The performance bond shall be procured at Seller's expense and be payable to the Purchaser. The cost of the bond may be invoiced to the Purchaser after project initiation only if itemized in the Seller's cost proposal and in the attached Exhibit A. Prior to approval of the performance bond, the State reserves the right to review the bond and require Seller to substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by Seller. The bond must specifically refer to this Agreement and shall bind the surety to all of the terms and conditions of this Agreement. If the Agreement is terminated due to Seller's failure to comply with the terms thereof, Purchaser may claim against the performance bond.

#### **ARTICLE 48 PERSONNEL ASSIGNMENT GUARANTEE**

Seller guarantees that the personnel assigned to this project will remain a part of the project throughout the duration of the Agreement, as long as the personnel are employed by the Seller and are not replaced by Seller pursuant to the third paragraph of the Article herein titled "Employment Status." Seller further agrees that the assigned personnel will function in the capacity for which their services were acquired throughout the life of the Agreement, and any failure by Seller to so provide these persons shall entitle the State to terminate this Agreement for cause. Seller agrees to pay the Purchaser fifty percent (50%) of the total contract amount if any of the assigned personnel is removed from the project prior to the ending date of the contract for reasons other than departure from Seller's employment or replacement by Seller pursuant to the third paragraph of the Article herein titled "Employment Status." Subject to the State's written approval, the Seller may substitute qualified persons in the event of the separation of the incumbents therein from employment with Seller or for other compelling reasons that are acceptable to the State and may assign additional staff to provide technical support to Purchaser. The replacement personnel shall have equal or greater ability, experience, and qualifications than the departing personnel and shall be subject to the prior written approval of the Purchaser. The Seller shall not permanently divert any staff member from meeting work schedules developed and approved under this Agreement, unless approved in writing by the Purchaser. In the event of Seller personnel loss or redirection, the services performed by the Seller shall be uninterrupted and the Seller shall report in required status reports its efforts and progress in finding replacements and the effect of the absence of those personnel.

#### **ARTICLE 49 ESCROW OF SOURCE CODE**

**49.1** With the execution of this Agreement, the Seller shall sign on to the MS ITS/NCC Group Three Party Escrow Agreement and maintain a current copy of the data dictionary, Documentation, object code, and source code in escrow. The escrow agreement shall authorize the NCC Group to release, at no cost to DOR, the data dictionary, Documentation, object code, and source code to DOR if and when DOR is deemed to have a right under this article. DOR shall pay all costs of providing and maintaining the escrow agreement, including the fees of the NCC Group. The copy of the source code placed in escrow shall be reproduced and maintained on by utilizing the secure online deposit update portal or disk using a commonly accepted data recording protocol. Program documentation sufficient to allow a competent programmer to use and maintain the source code programs must accompany the source code. When a change is made to the object code or source code by or on behalf of the Seller during the term of the escrow agreement, the revised code, including the change, shall be delivered to the NCC Group not later than thirty (30) calendar days after the change is effected by or on behalf of the Seller.

**49.2** Provided that DOR is not then in substantial default under this Agreement, the Seller shall provide to DOR, at no cost and within ten (10) calendar days after receipt of DOR's written request for it, one (1) complete copy of the data dictionary, Documentation, object code, and source code used in the preparation of the Software and custom modifications to the source code and object code as a result of this Agreement, brought up to date as of the date of delivery of such source code to DOR, upon the occurrence of any of the following events: (a) Seller's cessation, for any reason, to do business; (b) Bankruptcy, receivership, insolvency,



reorganization, dissolution, liquidation or other similar proceedings are instituted by or against Seller; (c) A general assignment for the benefit of creditors by Seller; (d) Seller discontinues providing maintenance of the software in accordance with its obligations pursuant to the Agreement; (e) Seller has breached (and if subject to a cure period, has not cured such breach within such period) a material term or condition of this Agreement or the Escrow Agreement; (f) Seller refused or fails to renew its maintenance and support obligations under this Agreement after DOR has requested such renewal; or (g) any or all material parts of the source code or object code are generally made available, with or without additional cost, to other users of comparable software.

**49.3** Upon DOR's written request, NCC Group shall promptly conduct, at DOR's expense, a Verification of the deposit materials in accordance with DOR's requirements and with the requirements herein stated. "Verification" as used herein, means a procedure or process to determine the accuracy, completeness, sufficiency and quality of the deposit materials at a level of detail reasonably requested by DOR. Verification may include, as required by DOR (or by a third party on behalf of DOR), file listing, compilation, size comparison, function comparison and on-line comparison services. A copy of the verification results shall be immediately provided by NCC Group to the State.

**49.4** DOR (or a third party on behalf of DOR) reserves the right from time to time and at any time to cause Verification of the deposit materials and to examine the deposit materials to verify conformance to the requirements of RFP No. 3830, the Seller's Proposal, as accepted by DOR, in response thereto, and this Agreement, all at DOR's expense. Except as otherwise required by DOR (or by a third party on behalf of DOR and reasonably approved by Seller), all Verification tasks shall be performed solely by employees of NCC Group and, at DOR's option, of DOR or a third party engaged by DOR (subject to Seller's reasonable approval of DOR), without interference from Seller; provided, however, that if and to the extent requested by DOR (or by a third party on behalf of DOR), Seller shall at Seller's expense provide to NCC Group and/or DOR all reasonably necessary assistance and cooperation in connection with the performance of any Verification. Any Technical Verification performed by NCC Group or a third party engaged by the escrow agent (and acceptable to DOR) shall be performed in a good, workmanlike, timely and professional manner by qualified persons fully familiar with the requirements, materials and technology involved in performing such Verifications.

**49.5** Seller shall, at its expense, implement a procedure whereby the NCC Group shall notify DOR of all deposits to the software escrow based on software release updates. It is understood and agreed that updates shall occur at least on a quarterly basis.

## **ARTICLE 50 CHANGE ORDER RATE AND PROCEDURE**

**50.1** It is understood that the State may, at any time, by a written order, make changes in the scope of the project. No changes in scope are to be conducted or performed by the Seller except by the express written approval of the State. The Seller shall be obligated to perform all changes requested by the Purchaser which have no price or schedule effect.

**50.2** The Seller shall have no obligation to proceed with any change that has a price or schedule effect until the parties have mutually agreed in writing thereto. Neither the State nor the Seller shall be obligated to execute such a change order; if no such change order is executed, the Seller shall not be obliged or authorized to perform services beyond the scope of this Agreement and the contract documents. All executed change orders shall be incorporated into previously defined deliverables.

**50.3** With respect to any change orders issued in accordance with this Article, the Seller shall be compensated for work performed under a change order according to the hourly change order rate specified in the attached Exhibit A, which is incorporated herein. If there is a service that is not defined in the change order rate, the Seller and the State will negotiate the rate. The Seller agrees that each change order rate shall be a "fully loaded" rate, that is, it includes the cost of all materials, travel expenses, per diem, and all other expenses and incidentals incurred by the Seller in the performance of the change order. The Seller shall invoice the Purchaser upon acceptance by the Purchaser of all work documented in the change order, and the Purchaser shall pay invoice amounts on the terms set forth in this Agreement.

**50.4** Upon agreement of the parties to enter into a change order, the parties will execute such a change order setting forth in reasonable detail the work to be performed thereunder, the revisions necessary to the specifications or performance schedules of any affected project work plan, and the estimated number of professional services hours that will be necessary to implement the work contemplated therein. The price of the work to be performed under any change order will be determined based upon the change order rate; however, the change order will be issued for a total fixed dollar amount and may not be exceeded regardless of the number of hours actually expended by the Seller to complete the work required by that change order. The project work plan will be revised as necessary.

**50.5** The Seller will include in the progress reports delivered under this Agreement the status of work performed under all then current change orders.

**50.6** In the event the Seller and the State enter into a change order which increases or decreases the time required for the performance of any part of the work under this Agreement, the Seller shall submit to the Purchaser a revised version of the project work plan, clearly indicating all changes, at least five (5) working days prior to implementing any such changes.

**50.7** The Purchaser shall promptly review all revised project work plans submitted under this Agreement and shall notify the Seller of its approval or disapproval, in whole or in part, of the proposed revisions, stating with particularity all grounds for any disapproval, within ten (10) working days of receiving the revisions from the Seller. If the Purchaser fails to respond in such time period or any extension thereof, the Purchaser shall be deemed to have approved the revised project work plan.

For the faithful performance of the terms of this Agreement, the parties have caused this Agreement to be executed by their undersigned representatives.

**State of Mississippi, Department of  
Information Technology Services, on  
behalf of Mississippi Department of  
Revenue**

**INSERT VENDOR NAME**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Authorized Signature

Printed Name: Craig P. Orgeron, Ph.D.

Printed Name: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Mississippi Department of Revenue**

By: \_\_\_\_\_  
Authorized Signature

Printed Name: J. Ed Morgan

Title: Commissioner of Revenue

Date: \_\_\_\_\_

## **EXHIBIT A**

**EXHIBIT B  
THREE PARTY ESCROW AGREEMENT**

If Vendor cannot comply with any term or condition of this Three Party Escrow Agreement, Vendor must list and explain each specific exception on the *Proposal Exception Summary Form* included in Section V.

**THREE PARTY ESCROW AGREEMENT  
BETWEEN  
NCC GROUP ESCROW ASSOCIATES, LLC  
AND  
INSERT NAME OF DEPOSITOR  
AND  
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES  
AS CONTRACTING AGENT FOR  
MISSISSIPPI DEPARTMENT OF REVENUE**

This Three Party Escrow Agreement (hereinafter referred to as "Escrow Agreement") is entered into as of the date it is signed by all parties (the "Effective Date") by and between NCC Group Escrow Associates, LLC, a Georgia limited liability company having an office at 123 Mission Street, Suite 1020, San Francisco, California 94105 (hereinafter referred to as "Escrow Agent"), INSERT NAME OF SOFTWARE VENDOR, a INSERT STATE OF INCORPORATION corporation having its principal place of business at INSERT STREET ADDRESS FOR SOFTWARE VENDOR (hereinafter referred to as "Depositor"), and the Mississippi Department of Information Technology Services having its principal place of business at 3771 Eastwood Drive, Jackson, Mississippi 39211 (hereinafter referred to as "ITS"), as contracting agent for the Mississippi Department of Revenue located at 500 Clinton Center Drive, Clinton, Mississippi 39056 (hereinafter referred to as "Beneficiary"). Escrow Agent, Depositor, ITS and Beneficiary are each referred to herein individually as "party" and collectively as "the parties".

**WHEREAS**, Depositor and Beneficiary have entered into a Turnkey Agreement (hereinafter referred to as the "License Agreement") pursuant to which Depositor has licensed the use of certain proprietary software in the form of object code to Beneficiary; and

**WHEREAS**, Depositor and Beneficiary desire to establish an escrow with Escrow Agent to ensure the availability to Beneficiary of the source code and all relevant documentation and instructions necessary to maintain, duplicate, and compile the software (collectively the "Deposit Materials") and all necessary proprietary information related to such Deposit Materials in the event certain Release Conditions (as hereinafter defined) should occur;

**WHEREAS**, the parties desire this Escrow Agreement to be supplementary to the License Agreement pursuant to the United States Bankruptcy Code, Section 365(n), as amended;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are

hereby acknowledged, the parties hereto agree as follows:

**Section 1: Term**

The initial term of this Escrow Agreement is for a period of one (1) year from the Effective Date. Thereafter this Escrow Agreement shall automatically renew from year to year unless (a) this Escrow Agreement is terminated as provided elsewhere herein; or (b) all Deposit Materials have been released in accordance with the terms hereof.

**Section 2: Initial Delivery of Deposit Materials**

Depositor shall submit the initial Deposit Materials to Escrow Agent upon execution of this Escrow Agreement or within ten (10) business days of development of the Deposit Materials. Depositor shall complete, sign and deliver with all Deposit Materials (initial and updates thereto) a form as shown herein as Exhibit B titled "Deposit Materials Description", which shall provide: (a) name and address of the Depositor and Beneficiary; (b) product name and version of the Deposit Materials; and (c) quantity and a media description. Each Exhibit B that is executed by Depositor shall be deemed a part of this Escrow Agreement and incorporated herein by reference. Within ten (10) business days of receipt of the initial Deposit Materials, Escrow Agent shall issue a receipt to Depositor and notify Beneficiary.

**Section 3: Inspection of Deposit Materials**

When Escrow Agent receives the initial Deposit Materials and any updates thereto, Escrow Agent shall, within five (5) business days of receipt, conduct a deposit inspection by opening the package and visually matching the labeling of the tangible media containing the Deposit Materials to the item descriptions and quantity listed on the applicable Deposit Materials Description Exhibit. This inspection process also includes checking the CD-ROM (or other media) to make sure they are not damaged and that they are readable; scanning the CD-ROMs for viruses; and checking to make sure that the Deposit Materials are not encrypted. In addition to such inspection, upon Beneficiary's request and upon Escrow Agent's receipt of payment therefore, Escrow Agent shall promptly conduct a Verification of the Deposit Materials in accordance with the Beneficiary's requirements and Section 8 below. In the event the inspection reveals that the labeling of the tangible media comprising the Deposit Materials does not match the information listed on the applicable Deposit Materials Description Exhibit, Escrow Agent shall immediately notify Depositor and Beneficiary in writing of the discrepancies and Depositor shall, within five (5) business days of receipt of such notification, remedy such discrepancies and re-deliver the applicable Deposit Materials and Deposit Materials Description Exhibit to the Escrow Agent.

**Section 4: Deposit Materials Updates**

Depositor shall update the escrow and keep it current with the software licensed to Beneficiary. Depositor shall submit updates to the initial Deposit Materials to Escrow Agent within ten (10) business days of any modification, upgrade or new release of the software. Depositor shall complete and deliver with all updates to the Deposit Materials an amended Deposit Materials Description Exhibit form, which shall become part of this Escrow Agreement. Within ten (10) business days of receipt of the update to the Deposit Materials, Escrow Agent shall issue a receipt to Depositor and notify Beneficiary.

## **Section 5: Depositor Representations and Warranties**

**5.1** Depositor represents and warrants that it lawfully possesses all of the Deposit Materials deposited with Escrow Agent.

**5.2** Depositor represents and warrants with respect to all of the Deposit Materials, Depositor has the right and authority to grant to Escrow Agent and Beneficiary the rights and licenses as provided in this Escrow Agreement and the License Agreement.

**5.3** Depositor represents and warrants that the Deposit Materials are not subject to any lien or other encumbrance.

**5.4** Depositor represents and warrants that the Deposit Materials consist of the proprietary information and other materials identified in the License Agreement and comply in all respects to, and are covered by Depositor's representations, warranties, covenants and indemnities contained in the License Agreement.

**5.5** Depositor represents and warrants that there are no known intended or unintended copy inhibitors or limiters, locking mechanisms, lockout encryption or security devices or malicious code contained in or related to the Deposit Materials that may prevent Beneficiary or a third party from using, copying and modifying the Deposit Materials.

**5.6** Depositor represents and warrants that the Deposit Materials delivered to Escrow Agent shall at all times (a) conform to the version(s) of the software then in use by Beneficiary; (b) be a complete and correct set of the source code version of the software; and (c) be sufficient to enable a reasonably skilled computer programmer of Beneficiary to maintain and support the software without further assistance from Depositor or reference to any other software or materials.

## **Section 6: Escrow Agent Rights, Representations and Warranties**

**6.1** Escrow Agent represents and warrants that it has the right and capacity to enter into this Escrow Agreement and fully perform all of its obligations and provide the services hereunder.

**6.2** Escrow Agent represents and warrants that it shall store the Deposit Materials in a fire-proof, weatherproof, demagnetization-proof and environmentally controlled locked receptacle, under climatic conditions sufficient to safeguard the quality and integrity of the Deposit Materials.

**6.3** Escrow Agent has the right to make such copies of the Deposit Materials as may be necessary solely for the purposes of this Escrow Agreement.

## **Section 7: Indemnification**

**7.1** Escrow Agent shall indemnify, defend, save and hold harmless, protect and exonerate Depositor, ITS and the Beneficiary, its Board Members, officers, employees, agents and representatives from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever, including without limitation, court costs, investigative fees and expenses, attorney fees and claims for damages arising out of or caused by the intentional and willful misconduct or the negligent acts or omissions of Escrow Agent and/or its partners, principals, agents, employees or subcontractors in the performance of or failure to perform this Escrow Agreement. It is understood and agreed, however, that Escrow Agent is not responsible for the Beneficiary or Depositor's willful misconduct.

**7.2** The Depositor shall assume all liability and shall at all times indemnify and hold harmless Escrow Agent and its officers, agents, sub-contractors and employees from and

against any and all liability, loss, damages, costs, legal costs (including reasonable attorney's fees), professional and other expenses and any other liabilities of whatever nature, awarded against or agreed to be paid or otherwise suffered, incurred or sustained by Escrow Agent, whether direct, indirect or consequential as a result of or in connection with any claim by any third party(s) for alleged or actual infringement of intellectual property rights arising out of or in connection with all and any acts or omissions of Escrow Agent with respect to the Deposit Materials as contemplated under this Escrow Agreement.

### **Section 8: Verification**

Beneficiary, or a third party on behalf of Beneficiary, reserves the right from time to time to request Verification of the Deposit Materials and to examine the Deposit Materials to verify conformance to the requirements of the License Agreement and this Escrow Agreement. Verification, as used herein, means a procedure or process to determine the accuracy, completeness, sufficiency and quality of the Deposit Materials at a level of detail reasonably requested by Beneficiary, and may include, but not be limited to, file listing, inventory and analysis, compilation, size comparison, usability/functionality testing, and on-line comparison services. Such Verifications services are optional services offered by Escrow Agent and the fees associated with same are set forth on the Fee Schedule attached hereto as Exhibit A. Except as otherwise required by Beneficiary (or by a third party on behalf of Beneficiary and reasonably approved by Depositor), all Verification tasks shall be performed solely by employees of Escrow Agent and, at Beneficiary's option, employees of Beneficiary or a third party engaged by Beneficiary (subject to Depositor's reasonable approval, which approval shall not be unreasonably denied) without interference from Depositor; provided however, that if and to the extent requested by Beneficiary, Depositor shall at Depositor's expense, provide Escrow Agent and/or Beneficiary all reasonably necessary assistance and cooperation in connection with the performance of any Verification, including without limitation, assisting in the performance of tests and inspections ancillary to such Verification and compiling the source code into the executable code version. Any Verification performed by Escrow Agent or a third party engaged by Escrow Agent (and acceptable to Beneficiary) shall be performed in a good, workmanlike, timely and professional manner by qualified persons fully familiar with the requirements, materials and technology involved in performing such Verifications. A copy of the Verification results shall be immediately provided by the Escrow Agent to the Beneficiary.

### **Section 9: Fees**

Upon receipt of the signed Escrow Agreement, the Escrow Agent shall submit an invoice to Beneficiary for the services to be performed hereunder, and Beneficiary shall pay Escrow Agent an initial fee of \$**INSERT AMOUNT** and an annual fee of \$**INSERT AMOUNT**. The Fee Schedule is set forth in the attached Exhibit A. All payments shall be in U.S. currency and are due within forty-five (45) calendar days of receipt of Escrow Agent's invoice. Escrow Agent shall be entitled to review and vary its standard fees and charges for its services under this Escrow Agreement from time to time provided any such increase occurs (i) no earlier than November 20, 2019, and (ii) no more than once a year thereafter and (iii) only upon 45 days prior written notice to the parties, and (iv) increases shall not exceed three percent (3%) per year.

### **Section 10: Release of Deposit Materials**

**10.1 Release Conditions:** The occurrence of any of the following events ("Release



Conditions”) shall provide the Beneficiary the right to request the Escrow Agent to release and deliver the Deposit Materials held in escrow to the Beneficiary:

- (a) Depositor’s cessation, for any reason, to do business;
- (b) Bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings are instituted by or against Depositor;
- (c) A general assignment for the benefit of creditors by Depositor;
- (d) Depositor discontinues providing maintenance of the software in accordance with its obligations pursuant to the License Agreement;
- (e) Depositor has breached (and if subject to a cure period, has not cured such breach within such period) a material term or conditions of the License Agreement or this Escrow Agreement;
- (f) Depositor refused or fails to renew its maintenance and support obligations under the License Agreement after Beneficiary has requested such renewal; or
- (g) Any or all material parts of the source code or object code is generally made available, with or without additional cost, to other users of comparable software.

When Beneficiary makes such a request to Escrow Agent setting forth any of the above mentioned Release Conditions, it is understood that Beneficiary shall provide a copy of any such request to the Depositor.

**10.2 Depositor Request for Release:** Another Release Condition is the Depositor’s actual request for release. If Depositor notifies Escrow Agent in writing to release the Deposit Materials, the Escrow Agent shall release the Deposit Materials to Beneficiary within ten (10) business days of its receipt of the Depositor’s request.

**10.3 Beneficiary Request for Release:** Upon receipt of Beneficiary’s request for release of the Deposit Materials due to the occurrence of any of the Release Conditions specified in Section 10.1 herein, Escrow Agent shall promptly release and deliver a copy of the Deposit Materials to Beneficiary within twelve (12) business days of its receipt of the request unless Escrow Agent receives written notification that Depositor has requested mediation per Section 11 below or a court hearing prior to the ten (10) business day period that follows Escrow Agent’s receipt of the Beneficiary’s request. In the event Escrow Agent and Beneficiary do receive a timely objection from Depositor as set forth herein, Escrow Agent will continue to hold the Deposit Materials pending receipt of (a) joint instructions from Depositor and Beneficiary; (b) dispute resolution according to Section 11 (Mediation); or (c) order from a court of competent jurisdiction. Immediately upon release of the Deposit Materials to Beneficiary, Escrow Agent shall notify Depositor of same in writing.

**10.4 Grant of License to Deposit Materials:** In the event the Deposit Materials are delivered out of escrow to Beneficiary pursuant to the terms of this Escrow Agreement, Depositor hereby grants to Beneficiary: (a) a world-wide, non-exclusive, irrevocable, unlimited, paid in full license to use, copy, modify, maintain and update the Deposit Materials; (b) the right to create derivative works from the Deposit Materials; (c) the right to combine the Deposit Materials with other programs and modules and the right to create interfaces to other programs; (d) the right to reproduce any and all physical documentation supplied under the terms of this Escrow Agreement. The foregoing license includes the right of Beneficiary to allow third parties the right to use the Deposit Materials on Beneficiary’s behalf, in each case in accordance with the applicable terms of this Escrow Agreement.

## **Section 11: Mediation**

In the event of any dispute respecting release of the Deposit Materials under Section 10 above, representatives of Depositor and Beneficiary shall meet no later than five (5) business days after delivery of Depositor's notice objecting to such release and shall make a good faith effort to amicably resolve any disagreements among them concerning the disputed claim. If such persons are unable to resolve the dispute in a satisfactory manner within the next five (5) business days, either party may give the other party written notice of its disagreement, which notice shall include the factual details of the party's position, the contractual provisions relied upon, and its arguments, if any, which support its position, and may simultaneously therewith request non-binding mediation of the dispute under either the Center for Public Resources Mediation Procedure in effect as of the date of this Agreement, or the American Arbitration Association Rules for Commercial Mediation in effect at the time mediation is requested. The other party, herein called "Respondent", may agree to mediation at its discretion. If the Respondent agrees to mediation, it may, in its discretion, elect to proceed under any available rules for expedited processing of the mediation. The parties agree that any mediator provided must be knowledgeable and experienced in the type of disputes submitted to mediation. Depositor and Beneficiary shall share equally the mediator's fee and any costs incurred in arranging for facilities at which to conduct the mediation. All mediation proceedings pursuant to this Section shall be confidential and shall be treated as compromise settlement negotiations for purposes of applicable rules of evidence. If the dispute is not resolved through mediation, either party may initiate litigation in a court of competent jurisdiction in Hinds County, Mississippi; provided, however, either Depositor or Beneficiary may initiate litigation prior to the completion of mediation under this Section to toll any applicable statute of limitations, to preserve its legal rights or to seek a preliminary injunction or other provisional judicial relief, if in its sole judgment such action is necessary. Nothing in this Section shall impair the right of either party to seek such other rights or remedies it may have at law or in equity.

## **Section 12: Confidentiality and Record Keeping**

**12.1 Confidentiality:** The Deposit Materials shall only be accessible to authorized employees of Escrow Agent. Escrow Agent shall reasonably protect the confidentiality of the Deposit Materials. Except as provided in this Escrow Agreement, Escrow Agent shall not disclose, transfer, make available or use the Deposit Materials. If Escrow Agent receives a subpoena or other order of a court or judicial tribunal pertaining to the disclosure or release of the Deposit Materials, Escrow Agent will immediately notify Depositor and Beneficiary. It shall be the responsibility of either Depositor or Beneficiary to challenge any such order; provided, however, that Escrow Agent does not waive its rights to present its position with respect to any such order. Escrow Agent will not be required to disobey any court or other judicial tribunal order.

**12.2 Status Reports:** At least semi-annually, or as reasonably requested by Depositor or Beneficiary, Escrow Agent shall issue to Depositor and Beneficiary a report that describes any activity related to Beneficiary's account and inventories the Deposit Materials held by Escrow Agent.

**12.3 Audit Rights:** Escrow Agent shall retain and make available for audit purposes, upon request by Depositor or Beneficiary (or by a third party on behalf of Beneficiary), all Depositor

and Beneficiary related records and documentation. During the term of this Escrow Agreement and for a two (2) year period thereafter, Depositor and Beneficiary (or by a third party on behalf of Beneficiary) shall each have the right, upon prior reasonable notice to Escrow Agent, to inspect the written records of Escrow Agent pertaining to this Escrow Agreement. Any such inspection shall be held during Escrow Agent's normal business hours. The party requesting such audit shall bear the cost of conducting same; provided, however, that in the event such audit uncovers inaccuracies in such records, Escrow Agent shall reimburse such party for the cost of the audit.

### **Section 13: Governing Law**

This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Mississippi, and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. Escrow Agent and Depositor expressly agree that under no circumstances shall Beneficiary or ITS be obligated to pay an attorney's fee, prejudgment interest, or the cost of legal action to Escrow Agent or Depositor. Further, nothing in this Escrow Agreement shall affect any statutory rights Beneficiary may have that cannot be waived or limited by contract.

### **Section 14: Notice**

Any notice required or permitted to be given under this Escrow Agreement shall be in writing and personally delivered or sent by electronic means, provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom the notice should be given at their business address listed herein. ITS' address for notice is: Craig P. Orgeron, Ph.D., Executive Director, Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Beneficiary's address for notice is: Mr. J. Ed Morgan, Commissioner of Revenue, Mississippi Department of Revenue, 500 Clinton Center Drive, Clinton, Mississippi 39056. Depositor's address for notice is: **INSERT NAME, TITLE, & ADDRESS OF DEPOSITOR PERSON FOR NOTICE**. Escrow Agent's address for notice is: Ms. Grayson Burnhart, U. S. Director, NCC Group Escrow Associates, LLC, 11605 Haynes Bridge Road, 400 North Winds Suite 550, Alpharetta, Georgia 30009. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

### **Section 15: Force Majeure**

Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party. Such acts shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war or terrorism, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "Force Majeure Events").

### **Section 16: Severability**

If any term or provision of this Escrow Agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this Escrow Agreement shall be valid and enforceable to the fullest extent permitted by law, provided that the Beneficiary's purpose for entering into this Escrow Agreement can be fully

achieved by the remaining portions of the Escrow Agreement that have not been severed.

**Section 17: Waiver**

Failure of any party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Escrow Agreement. A waiver by the Beneficiary, to be effective, must be in writing, must set out the specifics of what is being waived, and must be signed by an authorized representative of the Beneficiary.

**Section 18: Modification**

This Escrow Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect.

**Section 19: Assignment**

No party may assign or otherwise transfer this Escrow Agreement or its obligations hereunder without the prior written consent of the other parties, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of its obligations without such consent shall be null and void. This Escrow Agreement shall be binding upon the parties' respective successors and assigns.

**Section 20: Time is of the Essence**

Depositor and Escrow Agent expressly acknowledge and agree that time is of the essence in the performance of their respective obligations hereunder. Beneficiary is relying on timely performance by Depositor and Escrow Agent and shall schedule operations and incur obligations to third parties in reliance upon such timely performances by Depositor and Escrow Agent, and shall sustain substantial losses by reason of any failure to timely perform.

**Section 21: Termination**

**21.1 Termination Events:** This Escrow Agreement may be terminated as follows: (a) upon the mutual, written agreement of Depositor and Beneficiary after notice of the effective date thereof to Escrow Agent; (b) by Beneficiary, upon written notice to Depositor and Escrow Agent if Escrow Agent becomes the subject of bankruptcy, reorganization, liquidation, or receivership proceedings, whether voluntary or involuntary; (c) by Beneficiary, upon written notice to Depositor and Escrow Agent if Escrow Agent is in breach of this Escrow Agreement; (d) by Beneficiary at any time, with or without cause, upon written notice to Depositor and Escrow Agent; and (e) by Escrow Agent in the event of nonpayment of fees hereunder. In the event of any termination hereunder, Escrow Agent shall immediately reimburse Beneficiary and Depositor, as applicable, on a pro-rata basis for any advance payment made to Escrow Agent for services not performed as of the effective termination date.

**21.2 Termination for Non-Payment:** In the event of the nonpayment of fees properly due to Escrow Agent hereunder, Escrow Agent shall provide written notice of delinquency to Depositor and Beneficiary. Any party to this Escrow Agreement shall have the right to make the payment to Escrow Agent to cure such nonpayment. If the past-due payment is not received in full by Escrow Agent within sixty (60) days of the delinquent notification, Escrow Agent shall have the

right to terminate this Escrow Agreement any time thereafter by sending written notice of termination to Depositor and Beneficiary.

**21.3 Return of Deposit Materials:** For thirty (30) calendar days from the date of termination of this Escrow Agreement for any reason other than in the event all Deposit Materials have been released in accordance with the terms of Section 10 herein, Escrow Agent will make the Deposit Materials available for collection by Depositor or its agents from the premises of Escrow Agent during Escrow Agent's usual office hours. After such 30 day period, Escrow Agent has the authority to destroy the Deposit Materials.

**21.4 Subsequent Escrow Agreement:** Upon Beneficiary's election to terminate this Escrow Agreement, Beneficiary and Depositor shall enter into a new escrow agreement with a mutually agreed upon third party escrow agent. Any and all terms and conditions stated herein shall, without modification, be incorporated into the new escrow agreement; provided, however, that Depositor agrees to negotiate in good faith with such escrow agent in the event such subsequent escrow agent or Beneficiary requests modification of any terms and conditions contained herein.

## **Section 22: Entire Agreement**

The parties hereto acknowledge that each has read this Escrow Agreement, understands it, and agrees to be bound by its terms. This Escrow Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating hereto.

## **Section 23: Liability Limitation**

Unless jointly agreed otherwise in writing, Escrow Agent's liability shall not exceed one million dollars (\$1,000,000.00). In no event will Escrow Agent be liable for special, indirect, consequential or incidental damages including lost profits, lost savings or lost revenues of any kind unless Escrow Agent was advised of the possibility of such loss or damage or unless such loss or damage could have been reasonably foreseen. Excluded from this or any liability limitation are claims related to fraud, bad faith, infringement issues, bodily injury, death, physical damage to tangible personal property and real property, and the intentional and willful misconduct or gross negligent acts of Escrow Agent. The language contained herein tending to limit the liability of Escrow Agent will apply to Beneficiary to the extent it is permitted and not prohibited by the laws or constitution of Mississippi. Further, the parties understand and agree that Escrow Agent is precluded from relying on any contractual damages limitation language within this Escrow Agreement where Escrow Agent acts fraudulently or in bad faith.

For the faithful performance of the terms of this Escrow Agreement, the parties have caused this Escrow Agreement to be executed by their undersigned representatives.

**State of Mississippi, Department of  
Information Technology Services, on  
behalf of Mississippi Department of  
Revenue**

**INSERT NAME OF DEPOSITOR**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Authorized Signature

Printed Name: Craig P. Orgeron, Ph.D.

Printed Name: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Mississippi Department of Revenue**

**NCC Group Escrow Associates LLC**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Authorized Signature

Printed Name: J. Ed Morgan

Printed Name: \_\_\_\_\_

Title: Commissioner of Revenue

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

(The parties need to attach Exhibit A: Fee Schedule and Exhibit B: Deposit Materials Description.)

## **EXHIBIT C**

### **FINAL RULE**

#### **MISSISSIPPI DEPARTMENT OF FINANCE AND ADMINISTRATION**

##### **ADMINISTRATIVE RULE**

#### **PAYMENTS BY CREDIT CARD, CHARGE CARD, DEBIT CARDS OR OTHER FORMS OF ELECTRONIC PAYMENT OF AMOUNTS OWED TO STATE AGENCIES**

The Department of Finance and Administration (DFA) has established the following Administrative rule to be followed when agencies, in accordance with §27-104-33, Mississippi Code of 1972, Annotated, elect to accept payments by credit cards, charge cards, debit cards, electronic checks and other forms of electronic payment for various services and fees collectible for agency purposes.

The State Department of Finance and Administration shall establish policies that allow the payment of various fees and other accounts receivable to state agencies by credit cards, charge cards, debit cards and other forms of electronic payment in the discretion of the department. Any fees or charges associated with the use of such electronic payments shall be assessed to the user of the electronic payment as an additional charge for processing the electronic payment.

Agencies with the approval of the Department of Finance and Administration may bear the full cost of processing such electronic payment if the agency can demonstrate to the department's satisfaction that they are able to assume these costs and provide the related service for the same or lesser cost.

#### **I. Definitions**

Electronic Payments: Consumer and business initiated payments, whether made through the Internet or in person, for various services and fees using any of the following payment instruments: credit cards, bank cards, charge cards, debit cards, electronic checks, or direct debits via electronic funds transfer.

ACH: Automated Clearing House. Affiliated with the U. S. Treasury and the Federal Reserve System and used as the conduit for electronic payments and collections. The ACH is the settlement vehicle for electronic payments. The ACH is also used to transport direct debit and credit transactions to consumer bank accounts.

Application Service Provider (ASP): An application service provider (ASP) provides computer-based services to customers over a network. The most limited definition is that of providing access to a particular application program (such as license renewals, registrations, etc.) using a standard protocol such as HTTP. ASP applications for purposes of this rule are those which accept electronic payments either through a browser-based application, or other revenue input sources.

DFA: Mississippi Department of Finance and Administration.

E-Government Transaction Fee: E-Government Transaction Fee is the mark-up above any regulatory fee plus the cost of sales as agreed to in an agency specific Statement of Work (SOW). A description of the E-Government Transaction fee shall be included in the SOW. E-Government Transaction fees are disbursed by the State to the vendor on a daily basis. Additional/Supplemental fees above the E-Government Transaction fees must be described and itemized in the agency specific SOW.

EOC FEE: Electronic Government Oversight Committee (EOC) Fee. This fee is used to offset the costs associated with providing electronic services and operating the electronic portal (www.ms.gov) at ITS. §25-53-151 (2) of the Mississippi Code defines the EOC. The original twenty-eight portal applications still collect this fee. On occasion, ITS has granted a written exemption of this fee for a specific Agency to absorb and directly remit the EOC fees associated with transactions for a specific application to DFA payable to the DFA – MS – Gov Portal Fees Fund. Henceforth, with new applications, the State collects 2% of the net operating profit each month through E-Government Transaction Fees. Those monies are deposited to the DFA – MS – Gov Portal Fees Fund on a monthly basis. The portal vendor is sent their portion of the fees on a daily basis.

Consumer: Consumer, for purposes of these rules, may be any individual person or business representative who initiates a transaction involving electronic payment.

Processing Fee: Processing fee is the payment-processing fee as approved by the Department of Finance and Administration (DFA). All transactions must include a processing fee unless DFA has granted express written approval for the Agency to absorb the payment processing costs associated with the transactions for a specific application and for the agency to remit those fees to DFA payable to the DFA – MS – Gov Portal Fees Fund.

ITS: Mississippi Department of Information Technology Services.

Point of Sale: Point of Sale (POS). Payments made “over the counter” for fees for services. For the purposes of electronic payments in Mississippi, agencies desiring to accept “over the counter” electronic payments must have a POS application. POS applications may be: A web-based system where all payment information is keyed into the application by the client or a “card swipe” application similar to those found in commercial enterprises. POS applications must be certified to meet PCI Compliance Standards.

PPI: Portal Payment Interface. The PPI defines and creates the accounting entries used to record all electronic payment transactions in the State's accounting system.



Record Keeping: An agency must establish and maintain financial records and keep them available for the purposes of audit. The record keeping procedures must include the capture of the details of the electronic payments, associated fees, and supporting reconciliation documentation.

Payment Card Industry: Data Security Standards (PCI-DSS): PCI-DSS is the result of collaboration between the major credit card brands to develop a single approach to safeguarding sensitive data. PCI-DSS defines a series of requirements for handling, transmitting, and storing sensitive data. The PCI-DSS standards can be found at <https://www.pcisecuritystandards.org/>.

Revenue Input Source: Electronic transactions from Web-based, Point of Sale (POS), Interactive Voice Response (IVR), Over the Counter Sales, etc.

TPE: Transaction Processing Engine: TPE is a secure electronic payment solution built specifically for state and local government that provides complete transaction management services from payment to disbursement.

Payment Processor: The company that settles approved payment transactions with the acquiring banks that issued the customer's credit/debit card or maintains the customer's bank account. The State's payment processor is Mississippi Interactive LLC (MSI) and they are the merchant of record with the credit card companies for maintaining the State's PCI compliance.

## **II. Approvals for Internet-based Applications and Services for State Agencies**

E-government applications and services require review and approval by ITS and by DFA (in contrast to traditional software applications.) Because of the multiple costing models used by vendors for e-government applications, as well as the necessity for ensuring appropriate security for all public-facing applications, the normal ITS procurement delegations to agencies do not apply for these types of acquisitions. In addition, DFA must approve and schedule any implementations that involve payments. See 001-025 Approvals for Internet-based Applications and Services in the ITS Procurement Handbook. <http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>

## **III. Payment Applications - Fees Paid By Consumer**

Agency applications accepting payments shall use the third party electronic payment processor designated by DFA to accept electronic payments for various services and fees collectible for agency purposes unless express written approval is given by DFA for the use of an alternate payment processor.

1. Designated payment processor is to be used regardless of where the application is hosted (agency, ITS, third-party).

2. Rules for obtaining approval of an alternate payment processor are found in Section V.

The services provided by the processor and the fees for such services shall be set forth in the contract approved by the State. All such agreements are considered e-government agreements and are under the purview of ITS (see 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook). The applications on MS.Gov operate under Project Number 37577. Agencies and the vendor will complete a detailed Statement of Work (SOW) describing provided services and the costs of the services, equipment rental, etc.

In most cases funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in the state's accounting system once the bank deposit is balanced. On a case by case basis, deposits may be made to an account outside the state treasury but detailed accounting instruction will be developed and implemented to ensure proper accountability.

The Payment Processor will provide the software components to be used by agency applications in calculation of the processing fee associated with a particular fee or services payment.

The Processing Fee is charged to the consumer and collected into DFA – MS – Gov Portal Fees Fund controlled by DFA and will not flow through the agency accounting journals. Those fees are reimbursed to the payment processor on a daily basis and are recorded as an expense transaction.

The Processing Fee owed the electronic payment processor will be reimbursed to them on a daily basis. It will be recorded as an expenditure transaction against the Mississippi.Gov Portal Fees Fund.

Any returned items received by DFA from the designated third party processor will be forwarded to the appropriate agency for handling after being netted out of the settlement for the day.

Revenues for all fees and services shall be recorded at gross in the state's accounting system of record as revenue, as specified by the agency on the accounting system's electronic payment distribution tables.

Actual processing costs to include fees for authorization, settlement, Electronic Government Oversight fees and E-Government Transaction fees, will be recorded as expenditures as specified by the Agency on the accounting system's electronic payment distribution tables.

#### **IV. Payment Applications - Fees Paid By Agency**

Agencies desiring to pay all fees associated with electronic processing of payments must demonstrate to DFA their ability to do so and receive express written approval from DFA. The Electronic Government Oversight Committee must also approve this procedure and include it in the agencies cost model. Agencies must demonstrate they are able to assume the cost and provide the same service for the same or lesser cost of the pre-portal service. Requirements for requesting approval are outlined in section VI of these rules.

Agency applications accepting payments shall use the third party electronic payment processor designated by DFA to accept electronic payments for various services and fees collectible for agency purposes unless express written approval is given by DFA for the use of an alternate payment processor.

1. Designated payment processor is to be used regardless of whether the particular application is a POS application, an application hosted through the Mississippi.gov infrastructure, or an application hosted through other ASPs.
2. Rules for obtaining approval of an alternate payment processor are found in section V.

The services provided by the processor and the fees for such services shall be set forth in the contract approved by the State. All such agreements are considered e-government agreements and are under the purview of ITS (see 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook).

<http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>

In most cases funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in the state's accounting system once the bank deposit is balanced. On a case by case basis, deposits may be made to an account outside the state treasury but detailed accounting instruction will be developed and implemented to ensure proper accountability.

Revenues for all fees and services shall be recorded at gross in the state's financial system of record as revenue as specified by the agency on the financial system's electronic payment distribution tables.

Actual processing fees to include fees for authorization, settlement, and other fees, will be recorded as expenditures as specified by the agency on the Portal Payment Interface (PPI) distribution tables.

Any returned items received from the designated third party credit card/or other electronic processor to DFA will be forwarded to the appropriate agency for handling after being netted out of the settlement for the day.

## **V. Approval of an Alternate Payment Processor**

An agency wishing to use an alternate payment processor must submit a written request to the Department of Finance and Administration, Office of Fiscal Management, Attn: Portal Transactions, 501 North West Street, Suite 701 B, Jackson, MS 39201. Request for an alternate payment processor will be coordinated through the EOC to ensure procurement procedures are followed and that cost model data can be included for future state projects.

The written request must state:

1. The reason(s) the State-approved payment processor is not suitable for the agency application.
2. The impact if the request is not granted.

The application must be approved by DFA prior to entering into the procurement process for the alternate payment processing services.

The agency must state what payment processors are available that meet their needs. The agency will provide the appropriate Attestation of Compliance document from the vendor stating they comply with Payment Card Industry – Data Security Standards (PCI-DSS) and that the vendor will maintain those standards throughout the engagement with the agency.

The agency must describe the agency application including:

3. The agency program supported.
4. The items (services and fees) offered for sale.
5. The individual item costs.
6. The estimated usage of the processor (i.e., the number of transactions that will occur per fiscal year).
7. An estimate of the processing costs “per transaction” for the items to be sold through the alternate payment processor.
8. The costs associated with the use of an alternate payment processor including, but not limited to, purchased and leased equipment; training; contractual services; and charges for refunds, return items, and PCI-DSS compliance.

The agency must acknowledge that if DFA approves the agency’s request to pursue alternate payment processing services:

9. Funds will be deposited in the account designated by the State Treasurer and transferred to the designated agency funds in the state’s financial system of record, once the bank deposit is reconciled and balanced by the agency. DFA

will not perform this reconciliation and will not approve the transfer of funds to the state's financial system of record until proof of reconciliation is provided.

10. Unless the agency has obtained a written waiver from the Department of Information Technology Services (ITS), they can be assessed E-Government Transactions Fees (See section VII).

11. Any request for an exception to the above reconciliation requirement must be clearly documented in the request for the alternate payment processor.

The service must be legally procured following the rules for technology procurement. All such services are considered e-government services, and are within the purview of ITS even if those services are offered at no cost to the agency. (See 001-020 Acquisitions within ITS Purview, item 3, in the ITS Procurement Handbook):

<http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView>

12. DFA will be an active participant in the procurement, implementation, and acceptance of the alternate payment processor before the application supported is certified for production operations.

13. DFA, at its discretion, may require that DFA be a party to the contract.

The alternate payment processor and/or 3rd party vendor must work with DFA to interface daily settled transactions and any associated fees into the state's accounting system via the PPI.

Agencies are required to collect any State required fees, such as EOC fees or E-Government Transaction Fees.

Approval under this section shall not relieve an agency of its responsibility concerning other sections of this rule.

## **VI. Request Approval for All Fees to Be Paid By Agency**

An agency wishing to obtain approval to bear the full cost of processing electronic payments should address the written request to the Department of Finance and Administration, Office of Fiscal Management, Attn: Portal Transactions, 501 North West Street, Suite 701 – B, Jackson, MS 39201. This request will be coordinated with the EOC to ensure the funding model approved by the EOC remains intact.

The request must state whether the application is web-based or of another type (example: Point-of-sale (POS), over the counter (OTC), subscription, Interactive Voice Recognition (IVR)).

The agency must describe the agency application including:

1. The agency program supported.
2. The items (services) offered for sale or collections.
3. The individual item costs.
4. An estimate of the processing cost “per transaction” for the items (services) to be sold.

The agency request must clearly:

5. Document whether the request is for an application where the consumer can purchase only a single item or service at a time (example: drivers' license renewals) or a shopping cart model where multiple items may be purchased (example: hunting and fishing licenses).
6. Demonstrate a dollar neutral cost or cost saving to the agency when absorbing the processing fees rather than having the consumer pay the fees projected over a fiscal year. All assumptions must be documented.
7. Demonstrate that the funds to defray the total cost of electronic processing will be available projected over a fiscal year. All assumptions must be documented.

The agency must acknowledge that it will be required to set aside cash/authority at a specified minimum limit in a specified fund to cover expenses (debits) associated with the agency's transactions for the following:

8. Authorization and settlements fees
9. Refunds
10. Chargebacks
11. Voids
12. Returned items charges

Approval under this section implies that the agency accepts and understands that the application will not be certified for production until such time as complete end-to-end testing is approved by DFA.

13. Testing will include financial settlement testing of all payment types.
14. Testing will include refunds and chargebacks.

15. Testing will include full reconciliation using the procedures developed by the Agency for that purpose.

## **VII. Request a Waiver for E-Government Transaction Fees**

An agency wishing to obtain approval for a waiver of E-Government Transaction Fees should address the written request to the Department of Information Technology Services, Attention: E-Government Oversight Committee, 3771 Eastwood Drive, Jackson, MS 39211.

If an agency is granted a waiver the agency should send a copy of the approval to The Department of Finance and Administration, Bureau of Financial Documents, P.O. Box 1060, Jackson, MS 39215-1060.

## **VIII. Third Party Processing and Fulfillment Costs**

§7-7-9, Mississippi Code (Laws of 1972) states the following:

*“The Mississippi General Accounting Office shall maintain a complete system of general accounting to comprehend the financial transactions of every state department, division, officer, board, commission, institution or other agency owned or controlled by the state, except those agencies specifically exempted in Section 7-7-1, whether at the seat of government or not and whether the funds upon which they operate are channeled through the State Treasury or not, either through regular procedures having to do with the issuance of the State Fiscal Officer receipt warrants and disbursement warrants or through controls maintained through reports filed periodically as required by the State Fiscal Officer in accordance with the reporting provisions contained in said Section 7-7-1.*

*All Transactions in public funds, as defined in Section 7-7-1, shall either be handled directly through the State Fiscal Officer and the State Treasury, or shall be reported to the State Fiscal Officer at the times and in the form prescribed by the State Fiscal Officer and the Legislative Budget Office, so that a complete and comprehensive system of accounts of the fiscal activities of all state governmental agencies shall be made available at all times in the General Accounting office.*

This policy is established by the Department of Finance and Administration, Office of fiscal Management (OFM) for direct or indirect payment to vendors to support internal business functions in the fulfillment of orders and completion of transactions initiated in person or through the Internet. These transactions may include, but are not limited to, the collection of taxes, issuance of licenses, production of reports, and other collections or payments for services that are conducted by agencies in their normal course of business.

Any cost incurred directly (by an agency) or indirectly (passed directly to the consumer) for a party to complete agency business transactions must be reflected as a cost of doing business for this agency. To do otherwise would not fully disclose costs of the State to conduct business or reflect revenue generated by a vendor who is providing services under contract for the State of Mississippi.

Likewise, any charge to the consumer for processing these transactions should be recognized by the agency as revenue.

Agencies will report revenues and expenses on a Journal Voucher (JV) according to the Mississippi Agency Accounting Policy and Procedure (MAAPP) Manual, Section 16. The JV will be created within 5 workdays of the end of the fiscal quarter.

**IX. Payment Card Industry – Data Security Standards (PCI-DSS)**

State agencies accepting credit and/or debit cards through an approved alternate payment processor will comply with Payment Card Industry – Data Security Standards (PCI- DSS) to safeguard cardholder and sensitive cardholder data, regardless of revenue input source (e.g. Internet application, point-of-sale, Interactive Voice Recognition System, etc. Agencies must provide to DFA yearly, proof of the alternate payment processor's compliance with PCI-DSS.

Agencies using the ms.gov payment portal will follow guidelines from the State's Merchant of Record, outlined in Section X. Agencies using an alternate payment processor that do not provide proof of compliance in PCI-DSS cannot accept credit cards/debit cards payment. If an agency is found accepting credit/debit cards as a form of payment that has not been granted a written waiver, DFA under the authority of §27-104-33, may issue the agency a cease and desist letter to close the system down. To request an appeal see Section XII.

**X. Development/Hosting Options and Ultimate Responsibility for PCI-DSS and Fines and Penalties**

A. Through a contracted partnership with NIC and Mississippi Interactive (MSI), DFA now provides payment processing services through RFP 3564, Project Number 37577, Statement Of Work 001, Payment Processor Solution. MSI/NIC is the official "Merchant of Record" for payments processed online through the Common Checkout Page (CCP) and Transaction Processing Engine (TPE), reducing the PCI-DSS compliance responsibility for the State of Mississippi by locating the software and hardware for payment processing at NIC's PCI Compliant data center. Agency's will be responsible for training their employees on proper handling of credit card data should they receive it in any other manner outside of the NIC provided solution. This includes completing SAQ A attesting that they have outsourced all electronic processing and properly trained employees. \*Please Note: CCP and TPE are components of



NIC's PCI Compliant Payment Services that separate the state's online application from communicating directly with the payment processor.

- B. Responsibility for PCI-DSS continues for agencies that connect their applications to payment processors outside of TPE or CCP within in the state. Also, in the event that an application requires the manual handling or entry of credit card information by agency personnel, the agency is responsible for PCI compliance at the SAQ A level for all individuals within the agency processing those payments. For more information on PCI-DSS SAQ A please visit: <https://www.pcisecuritystandards.org/>.

## **XI. Security Breaches and Notifications**

In the event of a security breach, credit card or debit card data could be compromised. Agencies will immediately terminate the application/services to preserve evidence and notify:

1. DFA's Chief Systems Information Officer at 601-359-6570.
2. Mississippi Department of Information Technology Services, Security Division at 601-432-8180 and the E-Government at 601-432-1846.
3. Mississippi State Attorney General's Office, Consumer Protection Division at (601) 359-3680 or 1 (800) 281-4418 and the Cyber Crimes Division at (601) 359-3817.

The agency shall notify their customers of the breach once law enforcement informs the agency that customer notification will not impede an investigation.

4. Agencies may notify customers using written notices or electronic notices. As a last resort, telephone notices can be given. Documentation that notices were provided, to whom they were provided, and when such notices were provided must be maintained by the agency.
5. The notice shall be clear and conspicuous and include:
  - a. A description of the incident in general terms.
  - b. The type of personal information subjected to unauthorized access or acquisition.
  - c. The general acts the agency has taken to protect the information from further unauthorized access.
  - d. A telephone number that the customer can call for further information.
  - e. Advice that directs the customer to remain vigilant by reviewing account statements and monitoring free credit reports or close an account.

## **XII. Appeal Process**

An agency wishing to appeal a cease and desist letter must submit a written request to the Department of Finance and Administration, Director, Office of Fiscal Management, 501 North West Street, Suite 701 -B, Jackson, Ms 39201.

The agency must provide the following information in the written request:

1. The agency program supported.
2. The items (services) offered for sale or collections.
3. The individual item costs.
4. An estimate of the processing cost "per transaction" for the items (services) to be sold.
5. The number of items sold per year and the total cost of those items.
6. A detailed description of how the system works.
7. A detailed list of software operating on the system.
8. A detailed list of equipment, including the name, model number, and purposed of the equipment.
9. A detailed description of accounting entries made to account for revenue and processing and other fees.

The agency must state whether the agency or the consumer pays the E-Government Transaction fee. The agency request must clearly:

10. Document whether the consumer can purchase only a single item or service at a time (example: drivers' license renewals) or a shopping cart model where multiple items may be purchased (example: hunting and fishing licenses).
11. Demonstrate a dollar neutral cost or cost saving to the agency when absorbing the processing fees rather than having the consumer pay the fees projected over a fiscal year if the agency is to pay the processing fees. All assumptions must be documented. Cost data will be coordinated with the Electronic Oversight Committee.
12. Demonstrate that the funds to defray the total cost of electronic processing will be available projected over a fiscal year if the agency is to pay the processing fees. All assumptions must be documented.

If the agency is paying processing fees, the agency must acknowledge that they will be required to set aside cash/authority at a specified minimum limit in a specified fund to cover expenses (debits) associated with the agency's transactions for the following:

13. Authorization and settlements fees
14. Refunds
15. Chargebacks
16. Voids
17. Returned items charges

The agency will also submit their PCI Self-Assessment Questionnaire, Remediation Plan, and cost estimates to correct deficiencies identified in the Remediation Plan. Once the agency information is reviewed, the agency will be given a written response to the appeal request.

## **EXHIBIT D MISSISSIPPI PAYMENT PROCESSING**

Mississippi Interactive (MSI) will serve as the single point of entry for all e-commerce transactions. Awarded vendor will use Mississippi's official payment processor for any of the following services where payment is required.

- Web services
- IVR services
- Mobile services
- Over the counter payment processing services
- Kiosk services
- Lock Box services

The following payment methods accepted through MSI include: Visa, MasterCard, American Express, Discover, electronic check and subscription (monthly billed).

### **DFA Administrative Rule**

The Department of Finance and Administration (DFA) established an administrative rule to be followed when agencies, in accordance with §27-104-33, Mississippi Code of 1972, Annotated, elect to accept payment by credit cards, charge cards, debit cards, electronic check (echeck) and other form of electronic payments for various services and fees collectible for agency purposes. See Attachment 1 for Final Rule.

### **Payment Card Industry (PCI) Compliance**

MSI will be responsible for Payment Card Industry (PCI) compliance on behalf of the State, though any future change in Federal PCI standards may require additional support from the State entity and awarded vendor. MSI's Transaction Processing Engine (TPE) is certified compliant with the PCI Data Security Standard (DSS) and compliant with the Payment Application Best Practices (PABP) standards. It is also listed as a Validated Payment Application by VISA. TPE is hosted at NIC's Central Data Center in Ashburn Virginia and complemented with a backup facility in Allen, Texas. NIC is certified by PCI-DSS as a Level 1 Service Provider for this environment.

See Technical Requirements for notes to the PCI compliance responsibility of the awarded vendor.

Awarded vendor is prohibited from breaking out payment processing fees associated with any transaction. This includes all pages of the application and/or any receipt generated.

Acceptable fee break out can include a "subtotal" for services and a "Total ms.gov Price" or "ms.gov Order Total" which includes the eGov processing fee. See image below for example.

1 Payment Type
2 Customer Info
3 Payment Info
4 Submit Payment

### Transaction Detail

SKU	Description	Unit Price	Quantity	Amount
000000013	Elections Fees/Fines	\$100.00	1	\$100.00
Total				\$100.00

### Transaction Summary

Elections Fees/Fines	\$100.00
<b>ms.gov Order Total</b>	<b>\$103.22</b>

### Need Help?

Please complete the Customer Information Section

### Merchant of Record

In order to act as the single point of contact between the State, MSI, the payment processor, the merchant acquiring bank, and end users of ms.gov services, MSI will be the “Merchant of Record” for this RFP. As the single point of contact for the State, MSI will work directly with the processor and the acquiring bank to request and set up merchant accounts and will be responsible for all areas of merchant services, including merchant fees.

### eGov Transaction Fees

There will be standard payment processing fees associated with each payment transaction. Customer approval (electronic or otherwise) of MSI payment processing fees will be obtained prior to initiating payment.

### MAGIC

MSI’s payment solution processes is integrated with MAGIC, Mississippi’s statewide accounting and procurement system of record. At least three (3) weeks prior to service launch Customer will be required to work with DFA to set up corresponding charges table entries. After appropriate edits are made to the charges table, Customer and awarded vendor will be required to work with MSI to insure adequate testing, confirming the application transactions are posting to MAGIC. A live transaction test must be completed no later than three (3) business days before service launch.

### Refunds, Chargebacks, Returns

As the merchant of record and official payment processor, MSI will handle all refunds, chargeback representments and returned echecks. However, MSI is not responsible for covering any monies that must be netted from the agency’s account through refund, successful chargeback or returned echeck. Below are the processes for each.

#### Refunds

The refund process is initiated by either customer or agency request.

- Upon customer request MSI will contact the agency financial contact (established at project initiation) for approval prior to refund
- Agency contacts have access to and are encouraged to use the MSI refund tool for their refund requests. This ensures adequate logs of all requested refunds
- After agency request or approval MSI refunds the charge in TPE and notifies the requestor upon completion

- Through MAGIC refunds are netted from the next day's deposits or the next day funds are available to net from

### Chargebacks

A chargeback is a monetary dispute that is initiated by the Issuing Bank (issuer disputes the posting of the transaction) or the cardholder (a cardholder disputes a transaction).

- Customer or card issuing bank sees what appears to be a suspicious charge on their statement.
- The customer contacts the card company to dispute the charge and initiate the chargeback process. Note: depending on the company policies of the company that issued the card the company may initiate the chargeback without customer notification.
- MSI receives a chargeback email from our processor notifying us of the transaction details of the chargeback. Once this notification is received the processor pulls the funds back from the Portal account until supporting documentation is obtained. (MSI's processor has 45 days from the time the customer disputes the charge to contact MSI for additional information.)
- Based on the information provided in the chargeback notification MSI researches the charge internally first.
  - If the disputed charge is a true duplicate charge (same customer information, amount, etc), MSI allows the chargeback to process and it is automatically marked in TPE.
  - For all non-duplicate charges MSI contacts the appropriate agency contact(s) (financial contact gathered at project initiation) by email to explain the chargeback, provide charge details and verify with the contact that it is a valid charge. If needed MSI requests the agency provides any additional information they may have to support the claim.
- If the charge is valid MSI will provide the sales drafts (chargeback receipt, TPE receipts, agency support etc) back to the processor to support the charge validity.
- After the charge is verified through receipt of sales drafts the chargeback will be reversed and the funds will be deposited back to the agency.

Note: The chargeback process could take up to 60 days to resolve.

### Returns

Electronic checks (echeck)/ACH payments (where a user enters an account and routing number) may be returned unpaid for any reason, including non-sufficient funds (NSF), stop payment, online data entry error or closed account. A full list of return codes is listed below:

- R01 - Insufficient Funds - Available balance is not sufficient to cover the dollar value of the debit entry.
- R02 - Account Closed - Previously active account has been closed by customer or RDFI.
- R03 - No Account/Unable to Locate Account - Account number structure is valid and passes editing process, but does not correspond to individual or is not an open account.
- R04 - Invalid Account Number - Account number structure not valid; entry may fail check digit validation or may contain an incorrect number of digits.
- R05 - Improper Debit to Consumer Account - A CCD, CTX, or CBR debit entry was transmitted to a Consumer Account of the Receiver and was not authorized by the Receiver.

- R06 - Returned per ODFI's Request - ODFI has requested RDFI to return the ACH entry (optional to RDFI – ODFI indemnifies RDFI).
- R07 - Authorization Revoked by Customer - Consumer, who previously authorized ACH payment, has revoked authorization from Originator (must be returned no later than 60 days from settlement date and customer must sign affidavit).
- R08 - Payment Stopped - Receiver of a recurring debit transaction has stopped payment to a specific ACH debit. RDFI should verify the Receiver's intent when a request for stop payment is made to insure this is not intended to be a revocation of authorization.
- R09 - Uncollected Funds - Sufficient book or ledger balance exists to satisfy dollar value of the transaction, but the dollar value of transaction is in process of collection (i.e., uncollected checks) or cash reserve balance below dollar value of the debit entry.
- R10 - Customer Advises Not Authorized - Consumer has advised RDFI that Originator of transaction is not authorized to debit account (must be returned no later than 60 days from settlement date of original entry and customer must sign affidavit).
- R11 - Check Truncation Entry Returned - used when returning a check safekeeping entry; RDFI should use appropriate field in addenda record to specify reason for return (i.e., "exceeds dollar limit," "stale date," etc.).
- R12 - Branch Sold to Another DFI - Financial institution receives entry destined for an account at a branch that has been sold to another financial institution.

#### Typical Return Process

- User enters echeck information in the ms.gov common checkout page
- TPE captures the information and sends to payment service provider
- The service provider submits a request to the payer's bank to retrieve the funds
- Payer's bank reports back one of the aforementioned return codes to the services provider
- Service provider notifies MSI and the return is marked in TPE
- Funds are electronically pulled from the agency through the daily MAGIC payment interface file. MSI contacts the individual(s) responsible for agency funds (contact obtained during project initiation) by email to let them know of the return and reason.

### Hardware Acquisition

Due to the payment key injections required for hardware to be compatible with MSI's PCI compliant payment processor, any hardware must be acquired through MSI's existing eGov contract. This includes, but is not limited to, kiosks, pin pad/card swipe, mobile devices etc.

### Application Testing

For all new services DFA requires a test transaction to be run for flow of funds and processor verification. After MSI receives confirmation the awarded vendor is satisfied with the integration, one test must be run through production TPE and confirmed by MSI.

It takes three (3) business days (excluding bank holidays) for the transaction to be confirmed by DFA. Awarded vendor should take this time frame into consideration when anticipating launch date.

### Reporting

TPE provides reporting and auditing tools useful for streamlining and accommodating various back-office procedures. TPE's financial reporting is comprehensive, flexible, and robust. Within

TPE all payment processing data is made available via a wide variety of reporting features. Reports are real-time, up-to-the-minute transaction reporting ranging from summary reports to detail reports showing line-item level data. A comprehensive users guide and applicable training will be provided to agency contacts during integration.

#### **Payment Support**

Mississippi Interactive will provide support for all user payment inquiries. MSI is located at 200 S. Lamar St., Suite 800, Jackson, MS 39201 and customer payment support is available during normal business hours (Monday – Friday 8am – 5pm CST). MSI's toll free support number (1-877-290-9487) is listed on the ms.gov Common Checkout page and is accessible to all users. For payment emergencies a technical support cellular number will be provided to the State contact.

MSI will work directly with the awarded vendor and/or the agencies to identify, report, track, monitor, escalate, and resolve any technical issues with TPE or CCP. It is MSI's policy to notify all awarded vendors and agencies of planned maintenance windows or system updates to avoid any payment issues.

State entities and/or awarded vendors will not be charged for MSI's efforts during payment implementation or any training/support.

#### **Technical Requirements**

Mississippi's payment solution is designed to provide two methods of integration: CommonCheckout (where the user clicks on a "Pay Now" button and is transferred to a set of common checkout pages branded for ms.gov), and DirectConnect (where the application has self-contained checkout pages and will call TPE for verification and capture once all payment information has been entered). In both of these instances, the awarded vendor will utilize standard web services protocols.

The CommonCheckout integration is required by ITS and DFA. Should special circumstances arise where the CommonCheckout is not applicable and/or the DirectConnect option is required, approval from both State agencies is mandatory.

High level descriptions of the integration requirements are included in this section. For detailed documentation please contact Brandon Ward, Mississippi Interactive's Director of Technology, at [brandon@msegov.com](mailto:brandon@msegov.com).

##### **CommonCheckout (CCP)**

When utilizing CommonCheckout, the calling application is not responsible for collecting the credit card or banking information. Instead, the application sends the transaction data to the CommonCheckout interface which collects and processes all payment information. The CommonCheckout interface will then return to the calling application all transaction status details and information related to the transaction.

##### **CCP Option 1: Server-side Web Service Calls and Browser-side Redirect**

The partner application is required to invoke Prepare Checkout Operation on the Common Checkout web service that is passing along the financial/customer/application information.

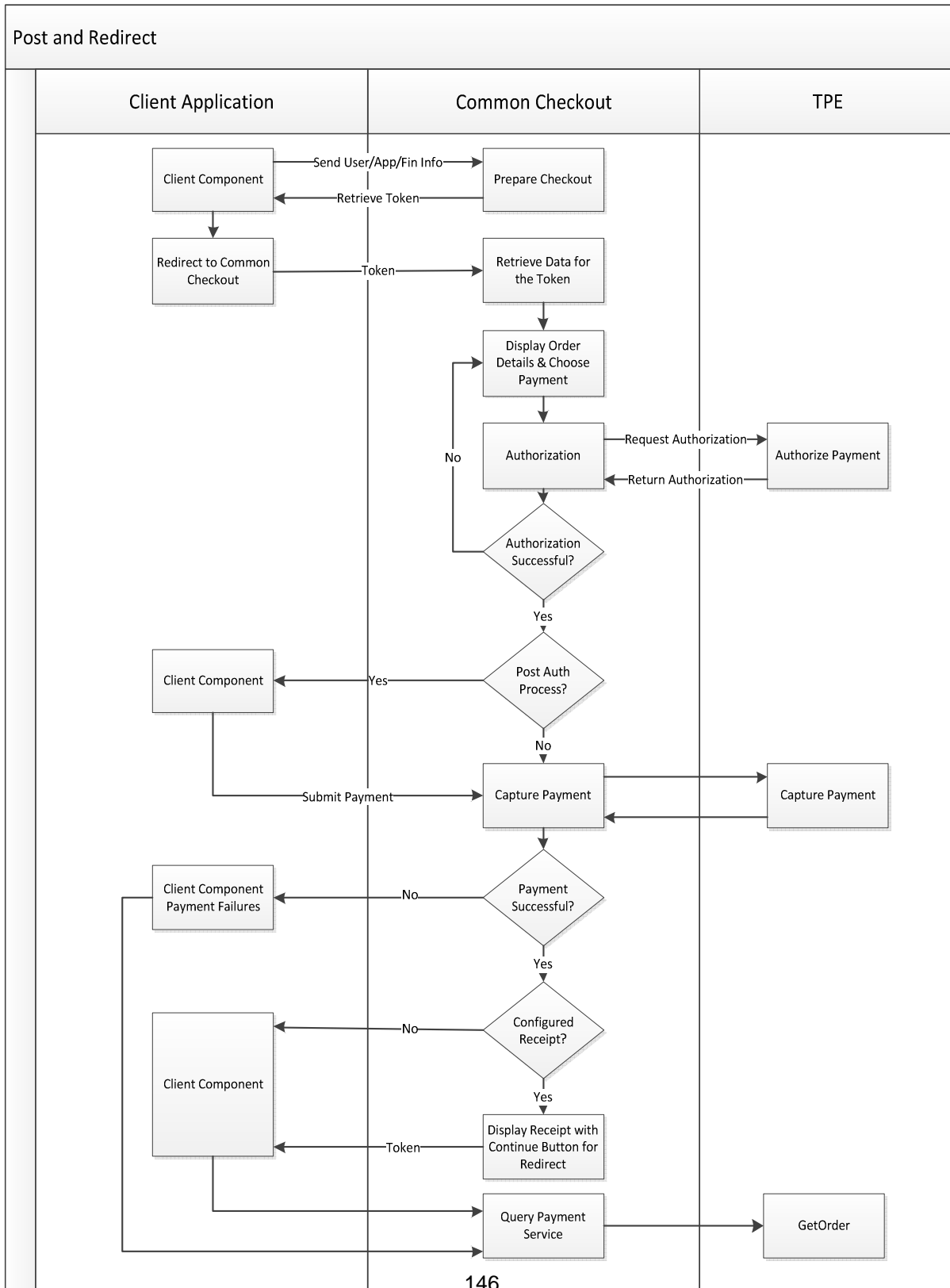
- The Web Service operation returns a token back in the SOAP response. The token is



required as a hidden field on the form post to the Common Checkout web application or a redirect.

- The Prepare Checkout Service returns the token back. This token is required as a hidden field on the form post or query string to the Common Checkout web application.
- When the customer chooses to continue with the payment by clicking a form button on the partner screen, the browser redirects to the Common Checkout web application.
- The Common Checkout web application retrieves the customer/financial/application data associated with the token and displays it on the payment page.
- Upon submission of the payment, Common Checkout redirects to the partner application or displays a receipt page, based on the configuration. In the latter case, the redirect to the partner application happens when a customer clicks a button on the receipt screen.
- The partner application is required to do a call back to the Query payment web service by sending the token. The service will return the transaction information back in the SOAP response. This ensures authenticity of the payment.

The following figure outlines a typical process flow for a CommonCheckout transaction.



## CCP Option 2: Server-side Name-Value-Pair HTTPS Posts and Browser-side Redirect

The partner application is required to send the financial/customer/application information as multiple name/value pairs using HTTPS POST to the Prepare Checkout Post URL.

- The Prepare Checkout Service returns a token-based transaction identifier, which is required as a hidden field on the form post or query string to the Common Checkout web application.
- When the customer chooses to continue with the payment by clicking a form button on the partner screen, the browser is redirected to Common Checkout web application.
- The Common Checkout web application retrieves the customer/financial/application data for the transaction identified by the associated token and displays it on the payment page.
- Upon submission of the payment, Common Checkout redirects to the partner application or displays a receipt page, based on the configuration. In the latter case, the redirect to the partner application happens once a customer clicks a button on the receipt screen.
- The partner application requires a call back to the Query payment HTTP service by sending the token. The service returns the payment detail back as name value pairs. This ensures authenticity of the payment.

### DirectConnect

The second scenario is to use the Application Programming Interfaces ("API's") that are available to developers. In this scenario, agency or third party developers write applications that include the checkout pages. Customers fill out all payment information within the application, and once captured, the application communicates with TPE using a standard API. TPE processes the payment, based on payment type, and returns either a success or failure code back to the calling application. Based on the code, the calling application displays either a receipt back to the customer or the reason for the failure. TPE supports multiple API's including:

- Java
- .NET
- Perl
- PHP

Note: If the DirectConnect method is approved by ITS and DFA the awarded vendor must provide MSI and the State proof of their software's (and any applicable hardware) PCI compliance.

### DirectConnect Integration Outline

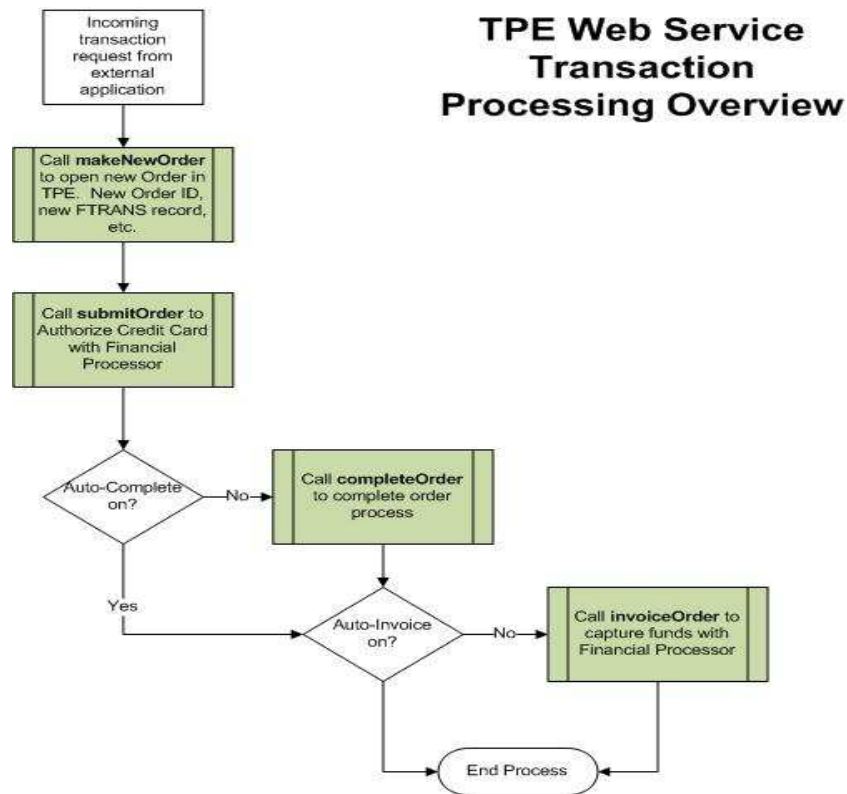
Before a payment can be processed inside of TPE, an *Order* must be established. An Order is the basic transaction container in TPE. It is a detailed request for certain goods or services and represents all the instructions and information needed from the customer for the merchant to collect money. An order contains information about the customer, items purchased, fees and taxes, payment information, billing address, shipping address, and so forth.

TPE uses the term *order*, along with the terms *payment* and *credit* to represent payment data for all electronic payments. An order is created by the client application while the customer is placing an order for goods or services. Transactions flow between the merchant and the financial institution during the life cycle of the order. These transactions can be broken into two broad categories: *payments* (monies transferred to the merchant from the customer) and *credits* (monies returned to the customer, such as when goods or services are returned and payment is refunded). As order processing continues, payments and credits are created and modified.

The basic steps for creating an Order and processing a payment are as follows:

1. Submit a new Order Request to TPE. The client application will create a request that includes a Merchant Id, a Merchant Key, and a Service Code. These are pre-defined security parameters that are configured within TPE. If the request is successful, TPE will return an empty order container to the client application.
2. Inside of this container, the application will set the Payment Implement (Credit Card, ACH, Cash, etc.), customer payment information, billing information, transaction line items and amounts, and any other information necessary for processing the payment.
3. Submit the Order. Once the Order container has been filled by the calling application, it will be submitted for authorization. TPE will do preliminary validations on the Order before submitting it to the Merchant Service Provider for authorization. If there is an error with the Order, TPE will return that information back to client application, or it will return back that the authorization was successful.
4. Complete the Order. This call to TPE informs the system that the order is complete and ready to be invoiced.
5. Invoice the Order. This step is where money transfer (i.e., Capture) is initiated. The invoice takes the information from the Order, and is then submitted to the Merchant Service Provider for Capture/Settlement.

The following figure outlines a typical process flow for a Direct Connect transaction.



### Charges Table Connection

The Mississippi Department of Information Technology Services (ITS) has developed the Mississippi Charges Web Service to supply application programs with data from the charges table. This data is required by the Agency application to build a valid MSI electronic payment request. The item type, item description, and item cost, for each item sold, must be submitted in the transaction request for payment authorization.

### Service Use

The primary purpose of the web service is to provide the charges data for a requested application. The method that performs this function is `getCurrentCharges` and requires a `chargesInput` object as the input parameter. A `getCurrentChargesResponse` object is returned.

- `getCurrentCharges(chargesInput)`

DFA updates the charges table each night just before midnight. The agency application is responsible for obtaining and using the current charges information. Good practice is to obtain the charges data at least daily.

### Charges Use in MSI Common Checkout

The `ChargeItem` data will become the basis for a line item that is sent to the CCP in the Prepare Checkout call. The table below maps the line item fields referenced in the CCP interface to their related `ChargeItem` value. In the CCP Prepare Checkout service call, line items are sent in as an array of `lineItems`.

CCP Line Item element	Field Description	Field used from Charges Item
LineItem.SKU	Item identifier used in backend SAAS funds distribution.	ChargeItem.itemType
LineItem.Description	Description of the item being purchased.	ChargeItem.description
LineItem.Unit Price	Cost of 1 of this item.	ChargeItem.amount
LineItem.Quantity	Quantity of the item being purchased.	Computed by the application.